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TO: The Honorable Joseline Peña-Melnyk  
Chair, Health & Government Operations Committee

FROM: W. Zak Shirley  
Director, Medicaid Fraud Control Unit

Lisa Hyle Marts  
Deputy Director, Medicaid Fraud Control Unit

RE: **Senate Bill 665 - The Senator Delores Kelley Residents of Unlicensed Programs Protection Act (Support)**

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The Office of the Attorney General's Medicaid Fraud Control Unit (MFCU) writes once again in support of SB665. The MFCU has investigated and prosecuted the abuse and neglect of vulnerable adults in this state for the past 44 years. One thing has become clear during that time, unlicensed assisted living facilities are hotbeds for the abuse and exploitation of vulnerable victims who cannot speak for or protect themselves. By virtue of remaining unlicensed, these facilities operate in the shadows – enriching their unscrupulous owners/operators by taking advantage of people in desperate need of assistance. Unfortunately, under current law, these facilities face no real consequence if discovered. The threat of prosecution is limited and the ability to skirt licensing requirements by simply reinventing the business is an open secret. This bill closes the loophole that allows unlicensed facilities to operate with impunity and equips the State with the tools necessary to address this widely recognized problem.

While the MFCU has previously submitted oral and written testimony in support of this bill, we write at this juncture to focus attention on the broad swath of support that this bill enjoys.<sup>1</sup> Testimony or favorable support for this bill came from 15 different organizations including:

- Maryland Department of Health
- Office of the State Long-Term Care Ombudsman
- Maryland Board of Examiners of Nursing Home Administrators

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<sup>1</sup> Notably, there was no opposition testimony filed against this bill in either the House or the Senate.

- Baltimore City Mayor's Office of Government Relations
- Health Facilities Association of Maryland
- LeadingAge Maryland
- LifeSpan Network
- Maryland Legal Aid
- Public Justice Center
- CHANA
- Baltimore Jewish Council
- The Alzheimers Association
- AARP
- National Association of Social Workers
- Maryland Retired School Personnel Association

These government agencies, community organizations, advocacy groups, and industry operators all recognize the threat posed to Maryland's elderly and disabled by unlicensed assisted living facilities. The testimony of these stakeholders comes from many different perspectives, but they are unified in the conclusion that this bill is necessary to better protect Maryland's most vulnerable citizens. As we have since 1979, the MFCU stands ready to use these laws to hold victimizers accountable.