



**MARYLAND
LEGAL AID**

Advancing
**Human Rights and
Justice for All**

House Bill 1122

Maryland Health Care Commission – Nursing Homes – Acquisitions
In the Health and Government Operations Committee

Hearing on March 7, 2024

Position: FAVORABLE

Maryland Legal Aid submits its written and oral testimony on HB 1122 at the request of the Maryland State Long-Term Care Ombudsman, Ms. Stevanne Ellis.

Maryland Legal Aid (MLA) asks that the Committee report **favorably and pass** HB 1122, which creates an approval process by the Maryland Health Care Commission during the purchase or acquisition process of a skilled nursing facility. Notice and opportunity to comment must also be provided to current residents. This bill creates transparency in a process that has historically left residents, their families, and the public without actionable information about nursing home acquisition and ownership.

Maryland Legal Aid (MLA) is a non-profit law firm that provides free legal services to the State's low-income and vulnerable residents. Our twelve offices serve residents in each of Maryland's 24 jurisdictions and handle a range of civil legal matters, including representation of adults residing in nursing home and assisted living facilities, in cases relating to health care access, long-term care, evictions from those facilities, and debt collection.

MLA staff have witnessed a major change relating to purchases of nursing facilities. Increasingly, these healthcare facilities are being purchased and owned by private equity firms which seek to maximize profit at the cost of ensuring adequate staffing and acceptable patient care. According to the Maryland Health Care Commission's 2023 study, 74% of skilled nursing facilities are owned by a For-Profit company.¹ This industry shift has also resulted in massive consolidation of ownership, which means residents who are dissatisfied with a particular care provider have few alternative options. Ownership instability can be traumatic for residents, who often wonder if such a change will impact their healthcare and if the cost of familiarity has become too great to bear.

MLA provided brief representation to Ms. P before she passed away. Ms. P endured an amputation at a hospital before she was transferred to a skilled nursing facility that was operated by a private equity firm. Upon admission, Ms. P was required to have her Social Security benefit payments directed to the facility and she was required to provide access to her bank accounts and life insurance policies. The terribly inadequate care that she endured thereafter created painful and slowly developed bed sores. The inadequate care was so egregious that she was forced to leave the facility for another provider that was able to provide her with dignity and care before she passed away. The low staffing in her private equity owned nursing facility led to her painful injuries, and

¹ Maryland Health Care Commission July 2023 study available at https://mhcc.maryland.gov/mhcc/pages/home/workgroups/documents/nh_acq/nh_acq_prst_07142023.pdf

this bill work to reduce these dangerous conditions in part by giving the state more oversight over acquisitions of nursing homes by private equity firms, including denying a proposed purchase or buy-out if necessary due to repeated harms.

MLA supports HB 1122. It ensures that the transfer of ownership of skilled nursing facilities, is thoughtfully evaluated, through a transparent process, and minimizes the growth and presence of facilities in Maryland that do not provide sufficient staffing and adequate care to residents.

Maryland Legal Aid strongly urges the Committee to issue a FAVORABLE report and PASSAGE of HB 1122. If you have any questions, please contact Christina Moore, (410) 951-7727, cmoore@mdlabor.org.