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SB 663 - Nursing Homes – Direct Care Wages and Benefits and Cost Reports
Senate Finance Committee
March 3, 2026
FAVORABLE

Good afternoon, Chair Beidle, Vice Chair Hayes, and members of the Senate Finance Committee. Thank you for the opportunity to testify in support of Senate Bill 663 and thank you to Senator Kramer for sponsoring this important legislation.

My name is Sara Westrick, Advocacy Director for AARP Maryland, and I am a member of the Oversight Committee on Quality of Care in Nursing Homes and Assisted Living Facilities. AARP Maryland represents 850,000 members and advocates for older Marylanders and their families who rely on long-term care.

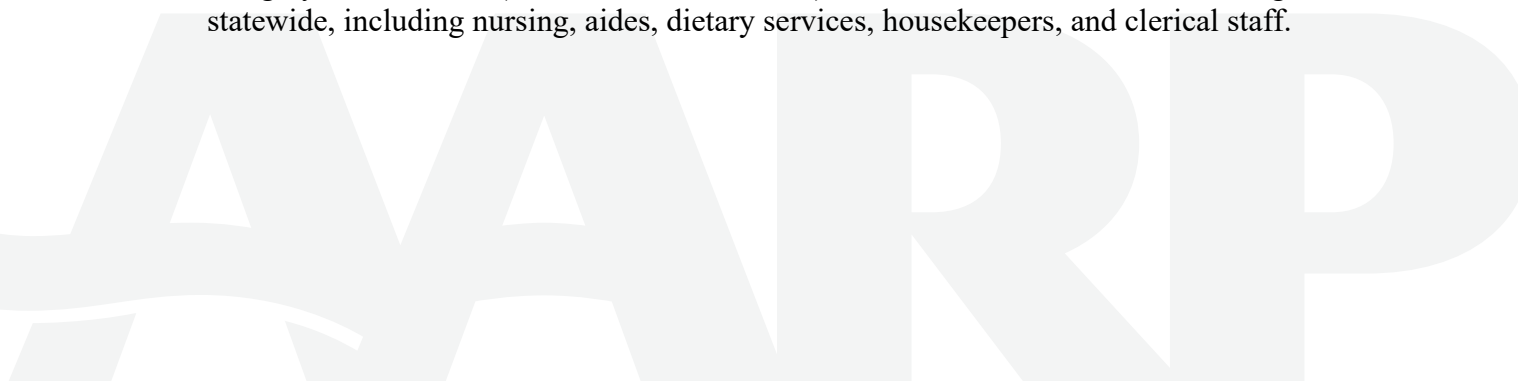
Why SB 663 Is Needed Now

Maryland's long-term care system is facing persistent workforce shortages, high turnover, and wide variation in how nursing homes allocate funds intended for frontline care. SB 663 addresses these problems with clear, enforceable standards for direct care wage spending, transparent financial reporting, and accountability.

Many nursing home owners obscure profits by routing inflated payments to companies they also control, reducing funds available for resident care and contributing to poor outcomes. Nationally, 40% of facility revenues go to these related parties. In Maryland, opaque ownership structures make it easier for private equity owners to divert resources away from direct care, leading to higher rates of preventable emergency department visits and hospitalizations. In addition, 80% of facilities in the state are for-profit, and the state has high turnover in acquisitions.

Importantly, the Department's 2025 Nursing Home Costs Report shows why SB 663 is both timely and necessary. Under existing law, nursing homes enrolled in the Maryland Medical Assistance Program must submit annual uniform cost reports, which serve as the basis for rate-setting and trend analysis. In 2024, 204 nursing homes submitted these reports. According to the Department:

- Nursing homes received \$3.42 billion in total comprehensive care revenues in 2024.
- Roughly \$1.84 billion (53.86% of total revenue) was allocated to direct care staffing statewide, including nursing, aides, dietary services, housekeepers, and clerical staff.



SB 663 will strengthen transparency and require clearer, verifiable financial documentation. The bill ensures that staffing funds reach the workers who provide daily, hands-on care, helping to stabilize the workforce and reduce turnover that jeopardizes resident safety.

Conclusion

Maryland's nursing home residents deserve a system in which public dollars are spent on care. The data from the 2025 Nursing Home Costs Report underscores the urgent need for greater transparency, clearer accounting of direct care wages, and enforceable standards for how nursing homes allocate their resources. SB 663 provides exactly that.

For these reasons, AARP Maryland respectfully urges a favorable report on SB 663.

If you have any questions, please contact me at swestrick@aarp.org or 410-310-0374.