



576 Johnsville Road
Sykesville, MD 21784

TO: Senate Finance Committee
FROM: LeadingAge Maryland
SUBJECT: Senate Bill 663, Nursing Homes - Direct Care Wages and Benefits and Cost Reports
DATE: March 3, 2026
POSITION: Unfavorable

LeadingAge Maryland respectfully requests an unfavorable report on Senate Bill 663, Nursing Homes - Direct Care Wages and Benefits and Cost Reports (Nursing Home Care Crisis Transparency Act)

LeadingAge Maryland is a community of more than 150 not-for-profit aging services organizations serving residents and clients through continuing care retirement communities, affordable senior housing, assisted living, nursing homes and home and community-based services. Members of LeadingAge Maryland provide health care, housing, and services to more than 20,000 older persons each year.

Senate Bill 663 mandates that nursing homes allocate at least 75% of their total nursing and residential care revenue toward direct care wages and benefits. Additionally, it requires annual cost reporting to the Maryland Department of Health. While we support increasing wages for nursing home workers, we have significant concerns regarding the bill's impact on providers and residents.

- Strain on Nursing Home Operations: Nursing homes are already grappling with workforce shortages and financial constraints. Requiring a rigid percentage allocation for wages may reduce funding for other essential services, such as food, maintenance, and administrative operations, ultimately impacting quality of care.
- Administrative Burden: The bill's cost reporting requirements impose additional administrative demands on nursing homes, diverting resources away from direct resident care. Compliance with extensive reporting requirements may be costly and operationally challenging for providers. Furthermore, under current law, filing a cost report with the State of Maryland is required only if Maryland Medical Assistance days of care are 1,000 or greater. Some LeadingAge Maryland members never reach that 1,000 day threshold. However, this bill would require all skilled nursing facilities to file a cost report regardless of Medicaid census, placing a further burden on the facility.

- Punitive Enforcement Mechanisms: The bill authorizes the Maryland Department of Health to impose penalties, including, corrective plans, and potential suspension or termination from the Maryland Medical Assistance program. These punitive measures could lead to unintended consequences, including reduced access to care for vulnerable populations and financial instability for providers.
- Unclear Wage Pass-Through Mechanism: While we support wage increases, the bill defines and limits which professions qualify as “direct care” staff, potentially excluding essential personnel such as housekeeping staff, maintenance, and administrative employees who contribute to resident care and facility operations. A more comprehensive wage pass-through mechanism should include both direct and indirect care staff, ensuring equitable support across all roles.
- Lack of Comprehensive Data: The 2025 Nursing Homes Cost Report found that 53.86% of revenue from nursing homes in the Maryland Medical Assistance program was allocated to direct care staffing, but this percentage does not include aggregate costs for “in-house clerical staff” and certain care aide staff positions. This lack of information about all essential personnel expenditures leads to incomplete revenue reporting and makes the 75% expenditure benchmark difficult to attain without comprehensive consideration of all direct care staff.

LeadingAge Maryland supports efforts to enhance wages for nursing home workers but believes Senate Bill 663, as written, would have negative consequences for providers, staff, and residents.

For these reasons, LeadingAge Maryland respectfully requests an unfavorable report for Senate Bill 663.

For additional information, please contact Aaron J. Greenfield, 410.446.1992