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TESTIMONY OF SENATOR SHELLY HETTLEMAN
SB 340 - NURSING FACILITIES - MEDICAID QUALITY ASSESSMENT - FUNDING
OF OFFICE OF THE LONG-TERM CARE OMBUDSMAN

Madam Chair, Mr. Vice Chair, and members of the Senate Finance Committee, I am writing to express my strong support for **SB 340 - Nursing Facilities - Medicaid Quality Assessment - Funding of Office of the Long-Term Care Ombudsman**.

The Maryland Long-Term Care Ombudsman program exists to protect the health, safety, dignity, and autonomy of older adults and individuals with disabilities who live in nursing homes, assisted living facilities, and other long-term care settings. Ombudsmen advocate for residents in situations including routine quality-of-life concerns such as choice, independence, and access to services, as well as serious cases of neglect and abuse.

Last year alone, Maryland Ombudsmen:

- made **7,252 visits** to nursing homes and assisted living facilities,
- investigated, verified and resolved **3,978 Complaints**, and
- provided **173 Community Education events**.

Behind these numbers are real people. For example, ombudsmen are often called when residents are told that staff “do not have time” to assist with basic needs. These situations may seem minor, however, they can easily escalate into neglect or harm if there is no early intervention. Ombudsman advocates are often the only independent voice residents have.

These concerns are compounded by an emerging and deeply troubling issue in Maryland: the proliferation of unlicensed assisted living facilities existing and operating outside of regulatory oversight. Investigations and reports have revealed that vulnerable older adults are sometimes placed in unlicensed settings where protections and accountability are limited.^{1,2} In these environments, residents are at a heightened risk of neglect, exploitation, and abuse. The Long-Term Care Ombudsman Program is often one of the only entities positioned to identify, investigate, and advocate for residents in such settings. As these challenges grow, so does the demand for Ombudsman services, but without a corresponding increase in resources.

What Maryland is facing today is only the beginning. The state is in the midst of a profound demographic shift, as state data shows that Maryland’s **population age 65 and older will grow**

to more than 25% of the state’s residents within the next two decades.³ At the same time, the complexity of care is increasing, with more older adults living with multiple chronic conditions, cognitive impairments, and advanced care needs that demand sustained oversight and advocacy. The rapid growth in the older adult population will place an unprecedented strain on an already under-resourced system, ultimately impacting those least able to advocate for themselves including low-income seniors, individuals with disabilities, and residents of long-term care facilities. In order to meet the needs of the growing older population, deliberate investment into the Long-Term Care Ombudsman Program is essential as a means to ensure that vulnerable residents are seen, heard, and protected.

Today, Maryland’s Ombudsman Program is funded through a combination of state and federal dollars. Current funding totals roughly **\$1.5 million**, with approximately:

- **\$400,000 from the federal government**, and
- **\$1.1 million from the State of Maryland.**

This funding level is already insufficient to meet demand. At the same time, there are significant and credible concerns about potential federal funding reductions due to broader changes to federal Health and Human Services budget priorities. Without a dedicated, sustainable funding source, the Ombudsman Program remains vulnerable at a time when Maryland’s aging population is rapidly growing, and the complexity of long-term care is increasing.

Maryland already collects a Medicaid quality assessment, referred to as a “bed tax”, on nursing facilities. This assessment is approximately \$32 per Medicaid bed per day and generates hundreds of millions of dollars annually. In Fiscal Year 2024, this assessment generated approximately **\$198 million**, which was used to reimburse nursing facilities for Medicaid resident care, and support pay-for-performance initiatives. Senate Bill 340 proposes a modest, targeted budget reform by allocating **just 3% of the quality assessment fund** to the Office of the Long-Term Care Ombudsman. This would yield an estimated **\$3–5 million annually**, dramatically strengthening oversight and advocacy without undermining the core purpose of the fund.

Some may argue that every dollar of the Medicaid quality assessment should flow back to providers. However, SB 340 recognizes that quality care requires funding for facilities in conjunction with funding for independent oversight. With nursing facilities receiving substantial funding through Medicaid, it is both reasonable and necessary that a small portion of that money be dedicated to directly protecting the residents whose care those funds are meant to support. Therefore, I urge a favorable report from the committee.

1. Collins G. Senior ‘trafficking’: The shadow industry Maryland won’t shut down. 2025. Accessed Feb 4, 2026. <https://www.baltimoresun.com/2025/11/12/senior-trafficking/>

2. Collins G. Senior trafficking: Maryland leaders urge action on oversight, transparency. 2026. Accessed Feb 4, 2026. <https://www.baltimoresun.com/?p=11950306/>

3. Collins G. Maryland's senior wave is coming - and oversight is already cracking. Updated 2025. Accessed Feb 4, 2026WJLA Web site. <https://wjla.com/news/local/marylands-senior-wave-is-coming-and-oversight-is-already-cracking>