

Senate Finance Committee
SB611
Position: Favorable

Dear Senator Beidle and Members of Finance Committee,

We are writing as a coalition of hospice providers—including Compass Regional Hospice, serving Queen Anne's, Kent, and Caroline counties; Coastal Hospice, serving the Lower Eastern Shore- Dorchester, Somerset, Wicomico, and Worcester counties; Talbot Hospice, serving Talbot County; Hospice of the Chesapeake, serving Anne Arundel, Prince George's, Charles, and Calvert counties; LifeBridge Health, serving Greater Baltimore region, including Carroll County, Baltimore County, Baltimore City, and Frederick County; Montgomery & Prince George's Hospice serving Montgomery County and Prince George's County; and Hospice and Palliative Care Network of Maryland, which supports hospice providers statewide—to express strong support for establishing Medicaid reimbursement for room and board in licensed residential hospice facilities. In our work serving patients and families at the end of life, we see daily how current policy unintentionally steers individuals into care settings that are often more costly and less aligned with their needs and wishes.

Currently, Medicaid reimburses room and board for end-of-life patients in skilled nursing facilities (SNFs), but not in residential hospice homes. This creates a financial incentive that pushes families toward institutional placements even when a hospice residence would provide more appropriate, compassionate, and patient-centered care. This limits patient choice, unintentionally.

The impact of this misalignment is measurable. Maryland Medicaid covers approximately 59% of SNF revenue, higher than the national average, further reinforcing institutional placement over hospice residence options. At the same time, Maryland ranks near the bottom nationally in hospice length of stay, limiting the benefits patients and families can receive from coordinated end-of-life care. Maryland also has one of the lowest rates in the country of Medicaid beneficiaries electing the hospice benefit, restricting access to hospice services for many individuals, particularly those in rural and historically underserved communities.

We also know that hospice care improves outcomes. Hospice programs experience a hospital readmission rate of just 1.4%, compared with 19.2% for patients in skilled nursing facilities, reflecting stronger symptom management and care coordination. Yet families often choose SNFs because Medicaid covers room and board there, while hospice residences must rely heavily on philanthropy to cover these costs. This makes hospice houses financially vulnerable and, in some cases, has led to closures despite clear community need.

Hospitals frequently report difficulty placing patients in residential hospice settings, but the barrier is often **not** bed availability—it is affordability for families facing end-of-life decisions under significant stress.

Allowing Medicaid reimbursement for room and board in residential hospice facilities would simply correct a payment structure that directs patients to the wrong care setting. This change would support longer and more appropriate hospice stays, reduce avoidable hospital readmissions, improve family satisfaction, and ultimately lower Medicaid spending by better matching care to patient needs. It would also align with statewide efforts to reduce unnecessary hospital utilization.

Importantly, Maryland would not be alone in making this change. Twenty-four other states have already implemented policies providing room and board payment structures for hospice house residential care, demonstrating that this approach is both feasible and effective.

In short, Medicaid is already paying for room and board at the end of life—just often in the wrong setting. Extending reimbursement to residential hospice facilities would improve quality of care, respect patient choice, strengthen community-based end-of-life services, and use public resources more wisely.

Thank you for your consideration and for your commitment to improving care for Maryland families at the end of life.



Hospice & Palliative Care Network
OF MARYLAND

