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House Health Committee - Briefing

Nursing Home Inspections & Unlicensed Assisted Living Facilities

February 5, 2026

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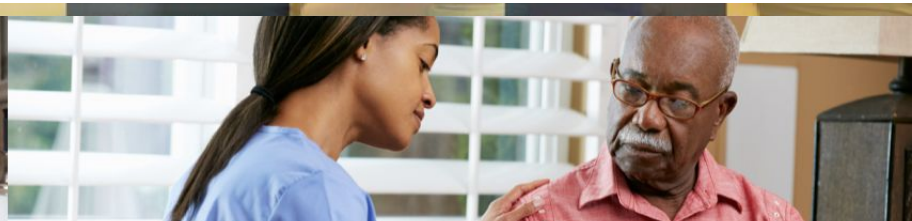

Agenda

- Update on Office of Healthcare Quality's (OHCQ's) progress in completing nursing home annual inspections.
- Update on the Memorandum of Understanding (MOU) Agreement between Montgomery County and MDH to conduct nursing home inspections.
- Background and update on suspected unlicensed assisted living programs.

OHCQ Core Functions

The Office of Healthcare Quality (OHCQ) is the agency in the MDH that determines compliance with State licensure and/or federal certification requirements in 47 industries and programs.

- **State Licensure:** Issues licenses, **authorizing** the applicant to operate a certain type of **business** in the State
  - Assisted Living is a state regulated program.
- **Federal Certification:** Recommends certifications to the CMS, which allow **facilities** to participate in and **seek reimbursement** from the Medicare and Medicaid programs for services provided to beneficiaries
  - Nursing Homes are state/federally regulated.

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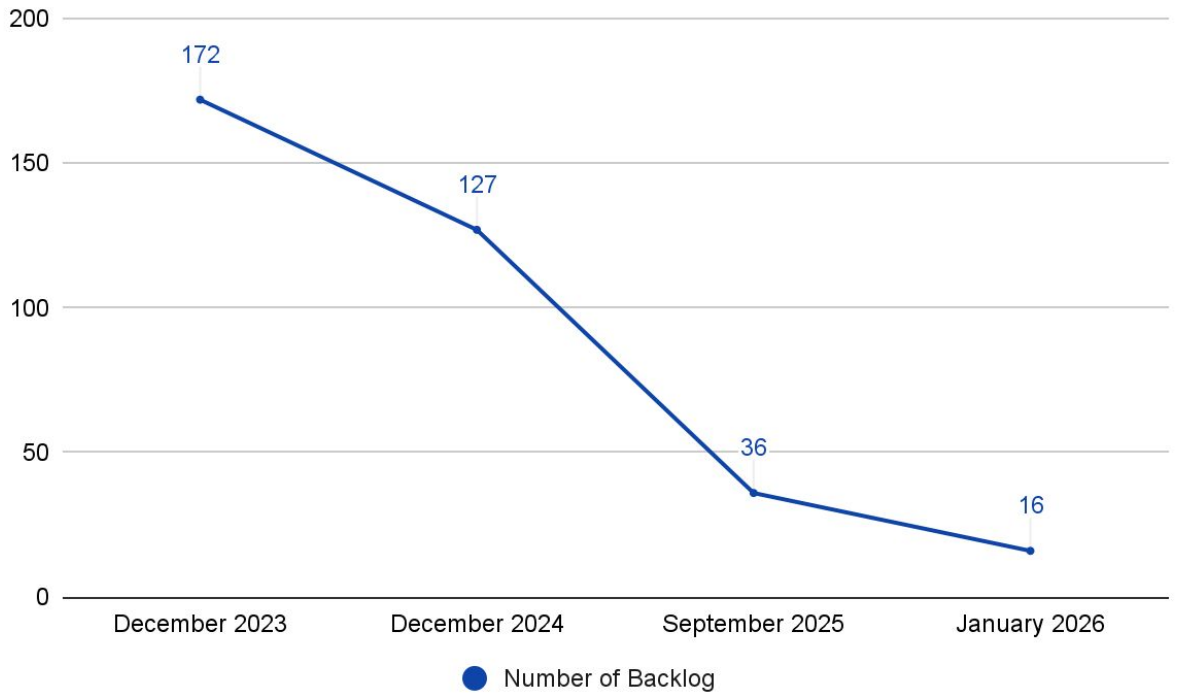
Nursing Home Annual Inspection Backlog

Addressing the nursing home inspection backlog of Annual Full Surveys is a top priority.

- **Historical Backlog:**
  - **172** Annual Full Survey backlog in Dec 2023
  - **127** Annual Full Survey backlog in Dec 2024
  - **36** Annual Full Survey backlog in Sept 2025
- **Current Backlog:**
  - **12** Annual Full Surveys overdue in Jan 2026
  - **Progress:** Over ***90%*** reduction in backlog since Dec 2023

OHCQ estimates that all backlogged annual surveys will be completed by **March 2026.**



As of January 2026 the backlog is 12.

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OHCQ FY26 Action Plan: From Backlog to Compliance

How did we address the backlog?

Four-part strategy for success:

- Secured staffing for merit-based surveyors
- Secured staffing for contracted surveyors
- Training
- Improved efficiencies

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How Did OHCQ Address The Backlog?

Secured staffing for <u>contracted</u> Certified Nurse Surveyors

- Contract surveyors gave OHCQ the flexibility to train and transition merit staff to full independence.

Secured staffing for <u>merit-based</u> Certified Nurse Surveyors

- Since July 1, 2023, OHCQ has hired and retained **39** new LTC surveyors and currently has a total of **61** surveyors on staff.
- State salaries for nurses increased two grades, which has positively impacted recruitment.

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Sustaining Compliance

Enhanced Training and Efficiencies

- OHCQ has developed and implemented targeted training programs aimed at improving surveyor efficiencies.
    - Decreased surveyor training time from 12 months to 7 months.
    - Focus on efficiencies in survey completion while maintaining quality and compliance standards.

Sustaining Compliance

- **Enhanced technology for field-based employees:** Equipped all field staff with smartphones to enhance communication, streamline navigation, increase survey efficiency, and securely capture photographic evidence during inspections.
    - **LTC Data Enhancements:** OHCQ leverages data from CMS alongside internal data analytics tools (Tableau) to monitor survey backlogs and enhance operational efficiency. These tools provide critical insights into survey progress, workload distribution, and performance metrics, ensuring compliance with federal and state regulations while improving service delivery.
    - **Streamlined survey scheduling:** Implemented geographic-based scheduling to assign surveys near surveyors' home locations or cluster multiple surveys within the same area. This approach minimizes travel time, reduces mileage costs, and increases the number of surveys completed efficiently.

Sustaining Compliance

- Carefully tracking our survey metrics to identify and address any concerns
- In 2025, the Maryland General Assembly passed SB 376, amending Health–General Article § 19-1408 requiring OHCQ to submit:
  - Quarterly reports on the status of nursing home surveys including county-level data, disaggregated by survey type.
  - Reports to the Local Area Agency on Aging identifying each nursing home surveyed in the immediately preceding six months, including the survey date.
  - OHCQ is compliant with these reporting requirements.

Sustaining Compliance

- Contract for certified nurse surveyors was renewed through FY27.
- Strengthen staffing stability (targeted recruitment, retention, and succession planning) to reduce vacancy-driven delays.
- Prioritize and streamline high-risk (“IJ”) workload (triage, scheduling, and weekly monitoring) to prevent backlog accumulation.

Update on MOU with Montgomery County

- Result of BRFA Act Section 32 from 2025 Legislative Session
  - Upon request, delegates authority to Montgomery County to conduct nursing home surveys and complaint investigations
  - Montgomery County must contribute 50% of the costs
  - MDH is required to fund 50% of Montgomery County's costs to conduct these surveys and complaint investigations.
- OHCQ has drafted the MOU and it was sent to Montgomery County.
- The MOU formalizes a framework that defines shared responsibilities, communication protocols, and areas of cooperation related to oversight and inspection of the County's nursing homes.

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Suspected Unlicensed Assisted Living Programs

- 1,617 licensed assisted living programs (ALP) in Maryland.
  - All facilities must comply with COMAR 10.07.14 to be licensed.
- OHCQ has authority to investigate unlicensed assisted living facilities.
- Unlicensed facilities are not registered with the State.
- OHCQ can only investigate based on information that is shared with them, which is why it is critically important to report complaints to OHCQ.

Suspected Unlicensed Assisted Living Programs

- OHCQ receives about 8-10 complaints per month related to unlicensed facilities.
  - Small subset of 1,080 complaints OHCQ receives per month.
  - Most complaints involve private residences.
  - Every Marylanders health and safety is paramount.
- **FY 2025:** 120 complaints about unlicensed facilities, involving 92 facilities.
  - 13 determined to be unlicensed ALPs. OHCQ issued notices of violation to 13.
  - No evidence of abuse, neglect or exploitation identified at any facilities.
- **Early FY 2026 (July-December 2025):** 63 complaints, involving 51 facilities.
  - 10 determined to be unlicensed ALPs. OHCQ issued notices of violation to 10. (3 investigations ongoing).
  - 2 instances of abuse/neglect with referral to OAG.

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Investigation Process

- Investigations of complaints regarding unlicensed ALP facilities has been and continues to be a priority.
- Complaints from many sources: neighbors, family members, healthcare providers and partners.
- MDH surveyors review the information and any available records to confirm whether facility is licensed or has an application pending.
- Onsite visit conducted to verify whether individuals are receiving services that require an assisted living license.
- If a site is suspected to be unlicensed:
  - If MDH identifies individuals in need of medical attention, the agency contacts emergency services.
  - If MDH suspects abuse or neglect, MDH contacts appropriate agencies (EMS, fire departments, law enforcement, Adult Protective Services, etc.) in all facilities, licensed and unlicensed.

Investigation Process

- If facility does not have a license or pending application:
  - Violation notice issued.
  - Provider given 30 days to come into compliance.
- On 31st day, OHCQ returns to determine whether provider submitted complete licensure application **or** safely relocated all residents.
  - If the provider remains out of compliance, OHCQ issues an additional notice.
  - OHCQ has the discretion to impose a civil monetary penalty.
- If provider submits application within 30 days, they are considered to be “working towards compliance” per statute.
  - During this time, OHCQ does not compel relocation of residents unless there is an immediate threat to health or safety.

Statutory Language

- In 2023, Health–General §19-1809 amended to strengthen enforcement against unlicensed ALPs through *HB774/SB665, Assisted Living Programs – Unlicensed Programs* (sponsored by OAG and supported by MDH.)
- Provides statutory authority to investigate unlicensed ALPs, issue violations, refer for criminal prosecution, and seek injunctive relief where abuse, neglect, or exploitation are present or where operators refuse to cooperate.
- If no imminent threat, statute provides pathway for facilities that can allow an operator, in certain circumstances, to submit a complete licensure application within 30 days.
- Statutory language remains narrowly tailored:
  - Allegations must be “credible” in order to refer to OAG.
  - Unlike licensed facilities, unlicensed are not subject to same right-of-entry provisions.

Actions Taken

OHCQ has taken numerous steps to strengthen facility oversight functions:

- Increased staffing; addressed backlogs in inspections; strengthened training and quality assurance, and developed its operational efficiencies.
- Launched a public-facing link on the OHCQ website to facilitate reporting of suspected unlicensed facilities.
    - For those without access to a computer, OHCQ can receive complaints by phone, fax, and regular mail.
- Strengthened and standardized internal policies for unlicensed ALP cases, to ensure OHCQ is operating within its full statutory authority for all investigations while continuing to prioritize the safety and well-being of residents at facilities.

Action Taken

- On January 27, 2026 MDH led an Interagency Workgroup on Unlicensed Assisted Living Programs.
- Goals of the Workgroup:
  - Increase number of licensed ALPs to safely serve Maryland residents, working with unlicensed facilities to come into compliance wherever possible.
  - Improve interagency coordination to streamline processes, respond to needs of residents and health providers, and prevent negative outcomes.
  - Focus for workgroup: recommend policy, operational, and regulatory actions
  - Address the broader issue of ensuring adequate number, safety and affordability of facilities and services for Maryland's aging population.

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Next Steps

- Developing voluntary training to nursing home and hospital providers on proper discharge planning practice. Plan to implement in first half of 2026.
- Enhancing collaboration with agency partners on case review and site-based enforcement.
- Jointly with Maryland Department Aging, launching a time-limited work group that will make recommendations on additional policy, operational and regulatory actions.

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Goals

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    - Focus for workgroup: recommend policy, operational, and regulatory actions/
- Address the broader issue of ensuring adequate number, safety and affordability of facilities and services for Maryland's aging population.

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Thank You

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