

MARYLAND REGISTER

**Proposed Action on Regulations**

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
		Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 3/13/2020**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**  
32 03 03 01-.03; .05; .07-.08

**3. Name of Promulgating Authority**

Department of Aging

**4. Name of Regulations Coordinator Telephone Number**  
Grace Fielhauer 410-767-5953

**Mailing Address**

301 W. Preston Street, Suite 1007

**City State Zip Code**  
Baltimore MD 21201

**Email**  
grace.fielhauer@maryland.gov

**5. Name of Person to Call About this Document Telephone No.**  
Grace Fielhauer 410-767-5953

**Email Address**  
grace.fielhauer@maryland.gov

**6. Check applicable items:**

- New Regulations
- Amendments to Existing Regulations  
Date when existing text was downloaded from COMAR online: 02/01/2020.
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:

: Md. R  
(vol.) (issue) (page nos) (date)

Under Maryland Register docket no.: --P.

**7. Is there emergency text which is identical to this proposal:**

- Yes  No

**8. Incorporation by Reference**

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

**9. Public Body - Open Meeting**

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to General Provisions Article, §3-302(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

**10. Children's Environmental Health and Protection**

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

**11. Certificate of Authorized Officer**

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Rajni Sekhri, Assistant Attorney General, (telephone #410-767-1072) on 2/18/2020. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Rona E. Kramer

**Title**

Secretary

**Telephone No.**

410-767-1102

**Date**

2/18/2020

**Title 32**  
**MARYLAND DEPARTMENT OF AGING**  
**Subtitle 03 GRANTS AND SUBSIDIES**

**32.03.03 Senior Assisted Living Group Home Subsidy**

Authority: Human Services Article, §10-211, Annotated Code of Maryland

**Notice of Proposed Action**

[]

The Maryland Department of Aging proposes to amend Regulation .01-.03;.05;.07-.08 under COMAR 32.03.03 Senior Assisted Living Group Home Subsidy Program.

**Statement of Purpose**

The purpose of this action is to generally update the Senior Assisted Living Group Home Subsidy (SALGHS) regulations by removing references to outdated cross references, removing ancillary references, and providing new definitions.

More substantial changes to the SALGHS program include increasing the subsidy amount, raising the resource limit, clarifying provisions relating to artificial impoverishment, expanding monthly personal expense allowance, and allowing for funeral and burial expenses.

Increasing the subsidy amount allows the Department of Aging to move away from one statewide maximum subsidy amount for the SALGHS program to a localized maximum subsidy amount. The proposed change will permit local jurisdictions to set the maximum at a number between \$650 and \$1,000 that best serves their locale. Additionally, this \$650 to \$1,000 range will be tied to the Consumer Price Index (CPI) so that it will adjust with inflation. The hope is that by allowing flexibility in the subsidy amount at the local level, jurisdictions will be able to maximize participation in the program.

The resource limit for the SALGHS program has not changed since 1994. The purposes of raising the resource limit are: updating the outdated resource limit; tying the new resource limit to the CPI so it will adjust for inflation moving forward; and disqualifying people who artificially impoverish themselves by giving away or re-arranging assets. The establishment of a five year look back and five percent limit for disposition or transfer of resources is prudent to prevent individuals or couples from hiding resources in order to become eligible for the SALGHs subsidy.

Expanding the monthly personal expense allowance and tying this figure to the CPI establishes an expense allowance that is in accord with the current cost of living and ensures this figure will remain accurate into the future.

Lastly, the proposed amendments allow for seniors to save money for funeral and burial

expenses. This allows seniors to adequately plan for a funeral and ancillary burial or funeral expenses at a reasonable fee without the value of those plans being counted against them as resource.

### **Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

### **Estimate of Economic Impact**

The proposed action has no economic impact.

### **Economic Impact on Small Businesses**

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

The proposed changes to the regulation of the Senior Assisted Living Group Home Subsidy (SALGHS) Program have a positive impact or no impact at all to Maryland small businesses.

By establishing a personal expense allowance in accord with current costs of living, seniors will have more money to buy basic essentials and thus decrease the asset portion of their eligibility calculation by up to \$70 a month. This change, in combination with other asset limit increases, will increase the number of seniors eligible for the subsidy. This in turn will increase the business potential and revenue for small business assisted living providers across the state.

Establishing asset limits that are up to date with inflation will allow more seniors to become eligible for the subsidy. This in turn will increase the demand for assisted living services, along with the business potential and revenue for small business assisted living providers across the state.

Additionally, accounting for inflation in eligibility criteria such as resources that a senior must claim when applying for the subsidy, increases the likelihood individuals will be accepted into the SALGHS program. This increases demand and the potential increase in revenue for the small business Assisted Living Providers that seek to serve Maryland seniors.

Excluding reasonable funeral expenses, up to \$5,000 per person, from the list of assets a senior must claim on the SALGHS eligibility form will increase the number of seniors who are eligible for the subsidy. More applicants ensure more resident clients for small business Assisted Living Providers in Maryland.

Lastly, increasing the range a local jurisdiction can set as its subsidy will increase the amount each Assisted Living Provider will be paid per SALGHS resident. In addition, the subsidy program will be more attractive to small business assisted living providers who do not currently participate because the subsidy is too low. The growth potential is

enormous. In 2019 only 204 Assisted Living Providers (with a 4-16 bed capacity) participated in the SALGHS program across Maryland (excluding Calvert, Garrett, and St. Mary's counties). Assisted Living Providers with the same capacity total 1,265 across the State. More assisted living facilities that are motivated by a larger subsidy to defray their costs will apply for the program, accept more SALGHS seniors, and assure their business growth. Jurisdictions who have chosen not to even apply for the Subsidy program might reconsider once the rate is increased.

All other changes proposed to the SALGHS program will not impact Maryland small businesses.

### **Impact on Individuals with Disabilities**

The proposed action has an impact on individuals with disabilities as follows: the proposed regulatory amendments to the Senior Assisted Living Group Home Subsidy program will have a positive impact on individuals with disabilities. By bringing the level of assets in line with inflation this increases the likelihood more seniors will become eligible for the Subsidy. Many of our seniors are seeking assisted living quarters and services because they are not ambulatory or have a disability. Easing up on the eligibility criteria increases the likelihood more disabled seniors will have safe, secure homes in which to age.

### **Opportunity for Public Comment**

Comments may be sent to Grace Fielhauer, Legislative Liaison, Department of Aging, 301 W. Preston Street, Suite 1007, Baltimore, MD 21201, or call 410-767-5953, or email to [grace.fielhauer@maryland.gov](mailto:grace.fielhauer@maryland.gov), or fax to 410-333-7943. Comments will be accepted through April 13. A public hearing has not been scheduled.

### **Economic Impact Statement Part C**

A. Fiscal Year in which regulations will become effective: FY 2020

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

No

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

No funds will be necessary to implement the proposed changes in regulation.

E. If these regulations have no economic impact under Part A, indicate reason briefly:

The proposed regulation changes apply only to Assisted Living Providers. The proposed regulations will positively impact these small businesses; however, there is no economic impact beyond Assisted Living Providers.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

G. Small Business Worksheet:  
Small Business Analysis Worksheet

This worksheet is designed to assist the agency in determining if and how the proposal impacts small businesses. Quantify the number of affected small businesses and estimates of costs and benefits to small businesses if possible. State Government Article, §2-1505.2, includes the following definitions which are relevant to the analysis:

“Economic impact analysis” means an estimate of the cost or the economic benefit to small businesses that may be affected by a regulation proposed by an agency pursuant to Title 10, Subtitle 1 of this article.

“Small business” means a corporation, partnership, sole proprietorship, or other business entity, including its affiliates, that: (i) is independently owned and operated; (ii) is not dominant in its field; and (iii) employs 50 or fewer full-time employees.

1a. Intended Beneficiaries. Who are the intended beneficiaries of the proposed regulation? Are these intended beneficiaries primarily households or businesses?

The intended beneficiaries of the proposed regulations are primarily households; however, small businesses will also benefit from the enactment of the regulations.

The Department of Aging’s goal in increasing the resource limit, increasing the subsidy and tying these requirements to the Consumer Price Index (CPI) is to increase eligibility for the program and thus the number of seniors the program serves both now and into the future. An added benefit of increasing eligibility for the program is that Assisted Living Providers will benefit from the increased number of subsidy recipients.

1b. Intended Beneficiaries: Households. If households are the primary intended beneficiaries, will the proposal affect their income or purchasing power such that the volume or patterns of their consumer spending will change? If so, what directions of change would you anticipate? Will these expected spending changes have a disproportionate impact on small businesses? Can you descriptively identify the industries or types of business activities that are impacted?

The proposed regulations will not affect the income nor the purchasing power of households. Yes, the expected spending changes will have a disproportionate impact on small businesses, specifically assisted living providers. By increasing the subsidy, the Department's hope is to increase eligibility for the SALGHS program and thus increase the number of SALGHS recipients placed into assisted living homes.

1c. Intended Beneficiaries: Businesses. If businesses are the intended beneficiaries,

identify the businesses by industry or by types of business activities. How will businesses be impacted? Are these Maryland establishments disproportionately small businesses? If so, how will these Maryland small businesses be affected? Can you identify or estimate the present number of small businesses affected? Can you estimate the present total payroll or total employment of small businesses affected?

2a. Other Direct or Indirect Impacts: Adverse. Businesses may not be the intended beneficiaries of the proposal. Instead, the proposal may direct or otherwise cause businesses to incur additional expenses of doing business in Maryland. Does this proposal require Maryland businesses to respond in such a fashion that they will incur additional work-time costs or monetary costs in order to comply? Describe how Maryland establishments may be adversely affected. Will Maryland small businesses bear a disproportionate financial burden or suffer consequences that affect their ability to compete? Can you estimate the possible number of Maryland small businesses adversely affected? (Note that small business compliance costs in the area of regulation are the sum of out-of-pocket (cash) costs plus time costs — usually expressed as payroll, akin to calculations for legislative fiscal notes. Precise compliance costs may be difficult to estimate, but the general nature of procedures that businesses must accomplish to comply can be described.)

None.

2b. Other Direct or Indirect Impacts: Positive. Maryland businesses may positively benefit by means other than or in addition to changed consumer spending patterns. How may Maryland businesses be positively impacted by this initiative? Will Maryland small businesses share proportionately or disproportionately in these gains? Can you estimate the possible number of Maryland small businesses positively affected?

By increasing the subsidy for this program and adjusting eligibility requirements for the program the goal is to increase eligibility for and enrollment in this program. The more seniors who take advantage of this program, the more assisted living providers who may receive revenue from this subsidy. In 2019, only 204 Assisted Living Providers (4-16 bed capacity) participated in the SALGHS program across Maryland; however, there are 1,265 Assisted Living Providers with the same capacity across the State. The hope is that more providers will participate in this program moving forward.

3. Long-Term Impacts. There are instances where the longer run economic impact effect from regulations differ significantly from immediate impact. For example, regulations may impose immediate burdens on Maryland small businesses to comply, but the overall restructuring of the industry as a consequence of monitoring and compliance may provide offsetting benefits to the affected small businesses in subsequent years. Can you identify any long run economic impact effects on Maryland small businesses that over time (a) may compound or further aggravate the initial economic impact described above, or (b) may mitigate or offset the initial economic impact described above?

None.

4. Estimates of Economic Impact. State Government Article, §2-1505.2 requires that an agency include estimates, as appropriate, directly relating to: (1) cost of providing goods and services; (2) effect on the work force; (3) effect on the cost of housing; (4) efficiency in production and marketing; (5) capital investment, taxation, competition, and economic development; and (6) consumer choice.

(1) There is no anticipated effect on the cost of providing goods and services; (2) There is no anticipated effect on the work force; (3) There is no anticipated effect on the cost of housing; (4) There is no anticipated effect on efficiency in production and marketing; (5) There is no anticipated capital investment, taxation, competition, and economic development; and (6) it is anticipated that consumer choice will increase.

Attached Document:

---

## Title 32

### DEPARTMENT OF AGING

#### Subtitle 03 GRANTS AND SUBSIDIES

##### 32.03.03 Senior Assisted Living Group Home Subsidies

Authority: Human Services Article, §10-211, Annotated Code of Maryland

###### .01 Purpose.

The purpose of the Senior Assisted Living [Group Home] Subsidy Program is to provide subsidies on behalf of eligible elderly residents of [group homes] *facilities* that are licensed as an assisted living program pursuant to COMAR 10.07.14, and [monitored by the Maryland Department of Aging pursuant to Health-General, § 19-1804, Annotated Code of Maryland] *enrolled in the Program*.

###### .02 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "Applicant" means an individual who has applied for a subsidy *or a current participant whose eligibility is being redetermined in accordance with Regulation .06C of this chapter*.

(2) "Assets" means real and personal property.

(3) "Assisted living program" has the meaning stated in COMAR 10.07.14.02B[(10)] (11).

(4) "*Burial funds*" means a revocable burial contract, burial trust, or other burial or funeral arrangement or any other separately identifiable fund which is clearly designated as set aside for a person's burial or funeral expenses.

(5) "*Burial spaces*" means conventional gravesites, crypts, mausoleums, urns, and other repositories which are customarily and traditionally used for the remains of deceased persons.

(6) "*Consumer Price Index*" means the Consumer Price Index for all urban consumers (CPI-U), U.S. City Average, All Items (1982—84=100) published by the United States Department of Labor for each calendar year, January through December.

[(4)] (7) "Department" means the Maryland Department of Aging.

[(5)] (8) "Earned subsidy" means the amount of subsidy that a subsidized resident qualified for during a reporting period.

[(6)] (9) "Elderly" means an individual who is 62 years old or older.

[(7)] (10) "Enrolled provider" means a licensee who has entered into a service agreement with a local office.

[(8)] (11) "Facility" means the physical plant in which a licensee provides assisted living services.



[(9)] (12) "Functional assessment" means an evaluation of an applicant's physical, mental, and functional status conducted by a geriatric evaluation service or its equivalent.

[(10)] "Group home" means a facility that the Maryland Department of Aging is responsible for monitoring and inspecting pursuant to the interagency agreement required by Health-General Article, §19-1804, Annotated Code of Maryland (which means the facility shall have a minimum of four residents and a maximum of 16 residents).]

[(11)] (13) "Immediate family" means an individual's:

- (a) Spouse or minor and adult children, including adopted children and stepchildren; or
- (b) Brothers, sisters, parents, adoptive parents, aunts, uncles, and their spouses.

[(12)] (14) "Income" means the gross amount of all earned and unearned income received from all sources, including employment, annuities, Social Security benefits, workers' compensation, pensions or disability payments, alimony, interest, dividends, and net income from a business or profession.

(15) "Irrevocable burial fund" means an irrevocable burial contract, an irrevocable burial trust, or other irrevocable arrangement, the assets of which are only available for funeral or burial expenses or both.

[(13)] (16) "License" means a license issued by the Maryland Department of Health to operate an assisted living program in Maryland.

[(14)] (17) "Licensee" means an entity that has been issued a license to operate an assisted living program.

[(15)] (18) "Local office" means the public or private nonprofit agency designated by the Department as the area agency on aging for a specific geographic area of the State.

(19) "Monthly allowance for personal expenses" equals \$130 per month. Subject to the limitations of the State budget, the amount shall increase on July 1 of each year beginning July 1, 2021, by the percentage, if any, by which the Consumer Price Index for the most recent calendar year exceeds the Consumer Price Index for the previous calendar year, rounded to the nearest dollar. The Department shall publish annually the monthly allowance for personal expenses.

[(16)] (20) "Net annual income" means net monthly income multiplied by 12.

[(17)] (21) "Net monthly income" means total monthly income from all sources, minus:

- (a) Monthly recurring nonreimbursable medical expenses greater than 3 percent of total monthly income; and
- (b) [An] The monthly allowance for personal expenses [of \$60 per month].

[(18)] (22) "Program" means the Senior Assisted Living [Group Home] Subsidy Program.

[(19)] (23) "Representative" means an agent, guardian of the person, guardian of the property, or any other person referred to in COMAR 10.07.14.[25] 34.

[(20)] (24) "Resident" means an elderly individual who resides in [a group home] an assisted living facility for the purpose of obtaining assisted living services.

[(21)] (25) "Resident agreement" has the meaning stated in COMAR 10.07.14.02B[(55)] (65).

[(22)] (26) "Service agreement" means an agreement between a licensee and the local office that specifies the obligations of both parties, including the types of services to be provided, the fees to be charged, and the amount of subsidy to be paid on behalf of eligible residents.

[(23)] (27) "Subsidy" means funds paid or approved to be paid by the local office to a licensee on behalf of a subsidized resident [in a group home].

### **.03 Enrollment of [Group Home] Assisted Living Facility Licensee.**

A. If [a group home] an assisted living facility wants to participate in the Program and receive subsidies on behalf of eligible residents, the licensee shall:

- (1) Obtain an enrollment form from the local office;
- (2) Complete the enrollment form; and
- (3) Submit the enrollment form to the local office, along with:
  - (a) A copy of its license or its application for a license, and
  - (b) A sample copy of its resident agreement.

B. In addition to other routine information, the enrollment form shall require the licensee to demonstrate that it has:

- (1) The bookkeeping services needed to assure the proper handling of any subsidy funds;
- (2) A manager who is literate, able to communicate in English, and is:
  - (a) A licensed physician,
  - (b) A licensed registered nurse,
  - (c) A licensed practical nurse, or
  - (d) An individual with at least 3 years' experience in direct patient care in a private home, certified home, or health-related establishment; and
- (3) Had no deficiencies in the previous 12 months that presented an imminent danger to the residents' health and safety.

C. If the local office determines that the information submitted on the enrollment form is accurate and satisfactory, and the resident agreement is consistent with COMAR 10.07.14.[12] 24 and .[13] 25, it shall:

- (1) Prepare a service agreement that contains the agreed upon monthly fee; and
- (2) Send the service agreement to the licensee to execute.

D. Unless some reason for denying enrollment in the subsidy program came to the local office's attention after sending the service agreement to the licensee, the local office shall execute the service agreement upon its return.

E. When the service agreement is executed by the local office, the licensee is an enrolled provider.

**.05 Resident Eligibility for Subsidy.**

A. An applicant is eligible to receive a subsidy paid to the licensee on the applicant's behalf when the following conditions are met:

(1) The applicant is a *62 year old or older* resident, or has been accepted for admission as a resident, in a facility operated by a licensee, which has enrolled in the subsidy program and executed a service agreement with the local office;

(2) The applicant is determined to be functionally eligible for a subsidy, based on a functional assessment;

(3) The applicant is determined to be financially eligible for a subsidy, based on a review and verification of the financial information provided; and

(4) Unless the licensee is a nonprofit corporation, the applicant is not a parent, child, spouse, aunt, uncle, niece, nephew, first cousin, or in-law of:

(a) The licensee, or

(b) Any partner or officer of the licensee.

B. To be functionally eligible for a subsidy, an applicant shall be:

(1) Physically or mentally impaired; and

(2) In need of assistance with the activities of daily living provided by the assisted living program.

C. To be financially eligible for a subsidy, an applicant shall meet the following conditions:

(1) The applicant's net monthly income is less than the approved monthly fee for the services provided;

(2) The applicant's net annual income is not higher than 60 percent of the State median income as determined by the U.S. Department of Housing and Urban Development; [and]

(3) *Subject to §H of this regulation, [The] the applicant's resources are not greater than \$[11,000] 19,000 if single, or \$[14,000] 25,000 if married[.]; and*

*(4) The applicant shall not have disposed of or transferred more than five percent of such applicant's net worth in the previous five years for less than fair market value unless the transfer was into a:*

*(a) Trust for an immediate family member who was medically dependent, or*

*(b) Special needs trust that meets the requirements of COMAR 10.09.24.08-2C.*

D. When calculating the amount of an applicant's or subsidized resident's resources, the net fair market value of all assets owned by the applicant or subsidized resident shall be [totalled] *totalled*, with the exception of the following:

(1) One personal automobile[.]; .

(2) Customary household goods[.]; .

(3) Personal effects[.]; .

(4) Life insurance *policies* with a *total* cash surrender value of not more than \$5,000[; and]. *Cash surrender value includes available accrued dividends and interest.*

(5) Real property that satisfies the exclusion requirements of §§E—G of this regulation.

*(6) Burial spaces for a person and the person's immediate family.*

*(7) Burial funds.*

*(a) In determining the resources of a person and the person's spouse, if any, there shall be excluded an amount up to \$5,000 per person of funds specifically set aside in a burial fund for the person or the person's spouse.*

*(b) Interest earned on excluded burial funds and appreciation on the value of excluded burial arrangements shall be excluded from resources if left to accumulate and become a part of the burial fund.*

*(c) Funds or interest earned on funds and appreciation in the value of burial arrangements, which have been excluded from resources because they are burial funds, shall be used solely for that purpose.*

*(d) An individual's \$5,000 exclusion as described under §D(7)(a) of this regulation shall be reduced by amounts in an irrevocable burial fund as described under §D(8) of this regulation.*

*(8) An irrevocable burial fund of any amount, which has been set aside for the burial or funeral of the individual or the individual's spouse.*

E. Real property that [is the primary residence of the applicant, or] was the primary residence *of the applicant* at the time of admission to a facility is excluded from the calculation of the applicant's resources for 1 year from the date of admission. After 1 year, the *value of the applicant's interest in the property* shall be counted as part of an applicant's or subsidized resident's resources, unless the:

(1) Secretary grants an extension under §G of this regulation; or

(2) Residence is occupied by the applicant's or subsidized resident's:

(a) Spouse;

(b) Unmarried child younger than 21 years old; or

(c) An immediate family member who is medically or financially dependent.

F. For the purposes of §§C and E of this regulation, an unmarried child younger than 21 years old shall be considered financially dependent without documentation other than age, and an immediate family member who has

been determined to be blind or disabled by the Social Security Administration or by the State Medical Review Team as a part of determining their eligibility for Medical Assistance, shall be considered medically dependent.

G. The Secretary may grant an extension of the 1-year period specified in §E of this regulation if the applicant demonstrates why the property could not be sold within the year despite timely and good faith efforts.

H. *The resource limit for applicants shall increase on July 1 of each year beginning July 1, 2021, by the percentage, if any, by which the Consumer Price Index for the most recent calendar year exceeds the Consumer Price Index for the previous calendar year, rounded to the nearest dollar. The Department shall publish annually the resources limits.*

**.07 Amount of Subsidy.**

A. The monthly subsidy amount paid by the local office to a licensee on behalf of a subsidized resident is equal to the lesser of:

(1) The difference between the subsidized resident's net monthly income and the facility's approved monthly fee; or

(2) *[\$650] The maximum monthly subsidy amount set forth in writing annually by the local office, which amount shall be between minimum rate of \$650 and the maximum rate of \$1,000 per month, inclusive. The maximum rate shall increase on July 1 of each year beginning July 1, 2021, by the percentage, if any, by which the Consumer Price Index for the most recent calendar year exceeds the Consumer Price Index for the previous calendar year, rounded to the nearest dollar. The Department shall publish annually the maximum subsidy amount limit.*

B. A local office may limit the amount of the monthly fees that providers may charge subsidized residents within the local office's jurisdiction, subject to the approval of the Department.

C. If a subsidized resident stayed in an enrolled provider's facility for less than a full month, the amount of subsidy paid by the local office on behalf of the subsidized resident shall be proportionate to the number of days in the month the subsidized resident stayed in the facility.

D. A resident is considered to be staying at a facility even if absent for up to 14 days if, during the period of absence:

(1) The subsidized resident was hospitalized on an in-patient basis; and

(2) The subsidized resident's bed was held open for the resident by the enrolled provider.

E. The amount of the subsidy shall be recalculated annually according to the date of the initial eligibility determination. The recalculation shall be based on the most recent financial information.

**.08 Administration of [Group Home] Subsidies.**

A. The Department shall designate, in writing, a local office to:

(1) Administer the [group home] *Program's* subsidies;

(2) Execute subsidy agreements with licensees; and

(3) Make monthly subsidy payments to licensees on behalf of subsidized residents.

B. To receive a subsidy on behalf of an eligible resident, a licensee shall be an enrolled provider and have a service agreement with the local office.

C. An enrolled provider may not charge a:

(1) Subsidized resident more than the monthly fee indicated in the resident agreement that has been executed by the enrolled provider and the subsidized resident; and

(2) Non-subsidized resident less than the approved monthly fee charged to a subsidized resident, unless the non-subsidized resident has a subsidy application pending.

D. The local office shall pay subsidies to an enrolled provider on a monthly basis for services provided during the previous month to residents who were approved for subsidy payments.