

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 416

(Delegate Belcastro)

Health and Government Operations

Finance

Health Care Facilities - Assisted Living Programs - Requirements for
Alzheimer's Special Care Units and Regulations

This bill requires the Maryland Department of Health (MDH), for Alzheimer's special care units, to (1) establish the number of dementia-specific training hours to be completed by staff; (2) determine the topic content for such training; and (3) require staff sufficient to meet the needs of residents. Uncodified language requires MDH, by December 1, 2022, to convene interested stakeholders to revise assisted living regulations (using the draft dated September 30, 2016, as a starting point) and adopt revised regulations for assisted living programs that incorporate the bill's requirements for Alzheimer's special care units. **The bill takes effect July 1, 2021.**

Fiscal Summary

State Effect: MDH can convene stakeholders and adopt regulations using existing budgeted resources, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None as a result of the bill, as discussed below.

Analysis

Current Law: An "assisted living program" is a residential or facility-based program that provides housing and supportive services, supervision, personalized assistance, health-related services, or a combination of such services that meets the needs of individuals who need assistance with the activities of daily living. In Maryland, assisted living programs are licensed by MDH's Office of Health Care Quality (OHCQ).

Under Code of Maryland Regulations (COMAR) 10.07.14.30, an Alzheimer's special care unit within an assisted living program must submit a written description of the special care unit to MDH. The assisted living program must also provide a written description of changes made to the special care unit at the time of license renewal. The description must include, as specified, (1) a mission statement; (2) how special care unit services are different from other services provided by the program; (3) staff training and job titles; (4) admission procedures; (5) assessment and service planning protocol; (6) staffing patterns; (7) a physical environment description; (8) a description of activities for residents; (9) a fee or fee structure; (10) discharge criteria and procedures; (11) any services, training, or other procedures above those provided in the existing program; and (12) any other information MDH may require. MDH must restrict admission to or close the special care unit if the facility has not demonstrated compliance with regulations, or if the health or safety of residents is at risk.

Regulations for assisted living programs (COMAR 10.07.14) were significantly rewritten in 2008, with few amendments since. Proposed regulations were promulgated in 2015 and 2016; however, those regulations were not incorporated. The proposed regulations can be found [here](#).

The Oversight Committee on the Quality of Care in Nursing Homes and Assisted Living Facilities evaluates the progress in improving the quality of nursing home and assisted living facility care in the State. In its [2020 report](#) to the Governor and General Assembly, the oversight committee found that the quality of care in nursing homes and assisted living facilities can improve from OHCQ's previously planned update to assisted living regulations.

State Fiscal Effect: MDH can convene interested stakeholders and promulgate the regulations specified under the bill within existing budgeted resources. The Department of Legislative Services (DLS) notes that a fiscal analysis will be conducted when the regulations are proposed. As such, expenditures likely increase by an indeterminate, but potentially significant, amount for Medicaid (50% general funds, 50% federal funds) and OHCQ after regulations are adopted.

In fiscal 2018, Medicaid reimbursed \$22.9 million (50% general funds, 50% federal funds) for 324,468 units of service per diem in memory care and Alzheimer's disease units at assisted living programs. Depending on the specific standards adopted in the regulations, MDH estimates an approximate increase of \$15 per diem to account for new training, continuing education, and staffing ratio requirements. *For illustrative purposes only*, if this rate increase were applied to fiscal 2018 units of service, Medicaid expenditures would increase by \$4.9 million (50% general funds, 50% federal funds) annually absent any utilization increases. MDH further advises that annual contractual costs of \$600,000 are required to enhance and maintain electronic systems and that enforcement of the new

standards (as required by the bill) necessitates the hiring of two full-time health policy analysts at an annual cost of approximately \$180,000. Any impact on Medicaid as a result of the bill is indeterminate until the regulations are adopted and implemented.

Small Business Effect: MDH advises there are 1,650 assisted living programs in the State, the majority of which are small businesses. According to the Maryland Chapter of the Alzheimer's Association, approximately 80 assisted living programs currently have a memory care unit. However, DLS advises there is no impact on small business assisted living programs until *after* regulations are promulgated under the bill.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 204 (Senator Beidle) - Finance.

Information Source(s): Maryland Chapter of the Alzheimer's Association; Maryland Department of Health; Department of Legislative Services

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