

Department of Legislative Services
Maryland General Assembly
2022 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 624
Finance

(Senator Hettleman)

Assisted Living Programs - Assisted Living Referrers - Requirements and Prohibitions

This bill establishes additional specified requirements for an assisted living referrer. An assisted living referrer must (1) maintain general liability insurance; (2) require employees to obtain a criminal history records check; (3) sign a federal Health Insurance Portability and Accountability Act (HIPAA) agreement with the client or the client's representative; and (4) maintain a written signed and dated document between the assisted living referrer and the client or the client's representative, as specified.

Fiscal Summary

State Effect: The bill's requirements can be handled with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary: Each assisted living referrer must maintain a written, signed, and dated document between the referrer and the client or the client's representative that includes (1) the right of the client to terminate the services for any reason at any time and (2) a requirement that the referrer communicate the cancellation of the agreement to all assisted living programs to which the client has been referred. The referrer must provide the written document to an assisted living program on or before the day a client is admitted as a

resident to the program. The assisted living program and the referrer must both keep a copy of the document for at least one year after the client is admitted.

The assisted living program may not pay a fee to the referrer until the written document is provided to the assisted living program and on or after the day the agreement between the referrer and the client is terminated.

A referrer may not (1) refer clients to an assisted living program if the referrer is an owner of the program; (2) have power of attorney over a client; or (3) sell or transfer the client's or the client's representative's contact information to a third party without the written consent of the client or the client's representative.

Current Law: Chapter 589 of 2020 defines an "assisted living referrer" as an individual or agency that (1) makes referrals to assisted living programs without cost to the person receiving the referral and (2) is compensated by an assisted living program or other third party for referring individuals to a licensed assisted living program.

Each assisted living referrer (1) must register with the Office of Health Care Quality (OHCQ) within the Maryland Department of Health (MDH); (2) must disclose to a client or potential client of the assisted living referrer all financial relationships the assisted living referrer has with assisted living programs; (3) must affirm that an assisted living program is licensed if referring a client or potential client; (4) may refer the client or potential client only to a licensed assisted living program if referring a client or potential client; and (5) must notify OHCQ immediately on learning that an assisted living program is operating without a license.

An assisted living referrer may not (1) receive funding from MDH if the referrer violates these requirements or (2) make referrals only to licensed assisted living programs from which the referrer receives compensation. If requested by any person or on its own initiative, the Office of Attorney General may investigate whether an assisted living referrer violated the bill's provisions and may seek appropriate relief.

Small Business Effect: Assisted living programs (the vast majority of which are small businesses) that use referrer services must ensure the facility complies with the bill's requirements.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 22, 2022
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