

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
Third Reader - Revised

House Bill 933

(Delegate Martinez, *et al.*)

Health and Government Operations

Finance

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Nursing Homes - Cost Reports

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This bill requires the Maryland Department of Health (MDH) to review the cost reports and other data submitted by each nursing home that participates in Medicaid, including data related to revenue allocated to (1) contracted nursing care services and (2) salaries and wages of all direct care nonadministrative staff, including certified nurse aides, directors of nurses, licensed practical nurses, noncertified or resident care aides, registered nurses, housekeepers, dietary workers, and in-house clerical staff who regularly interact with residents, Medicaid recipients, and caregivers. By October 1, 2025, and annually thereafter through 2029, MDH must report the findings resulting from this review to the Governor, the Senate Finance Committee, and the House Health and Government Operations Committee. **The bill takes effect June 1, 2025.**

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Fiscal Summary

**State Effect:** MDH can review cost reports and data submitted by specified nursing homes and complete the required report using existing budgeted resources. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** Medicaid utilizes a cost-based reimbursement model for nursing homes under which MDH currently oversees annual cost reporting by nursing homes with

assistance from contractors. Nursing home rates are rebased every two years after contractors complete a desk audit of nursing facilities' cost reports.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years. However, legislation with similar provisions has been introduced. See SB 468 and HB 725 of 2023.

**Designated Cross File:** SB 679 (Senator Rosapepe) - Finance.

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

**Fiscal Note History:** First Reader - February 14, 2025  
km/jc Third Reader - March 21, 2025  
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