



*Keeping You Connected...Expanding Your Potential...
In Senior Care and Services*

TO: The Honorable Maggie McIntosh, Chair
Members, House Appropriations Committee
The Honorable Shelly Hettleman

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer
Richard A. Tabuteau

DATE: February 25, 2020

RE: **SUPPORT** – House Bill 564 – *Department of Aging – Assisted Living Program Subsidies – Determinations*

On behalf of the LifeSpan Network, we respectfully **support** House Bill 564. LifeSpan Network is the largest association representing, among others, assisted living programs. House Bill 564 requires the Secretary of Aging to provide a subsidy of \$1,000 for each qualified, low-income senior to reside in an assisted living program under the Senior Assisted Living Group Home Subsidy (SALGHS) program. House Bill 564 requires, beginning July 1, 2023, and each three-year period thereafter, that the subsidy be adjusted by inflation.

For low-to-moderate income seniors in Maryland, it is a challenge to find affordable housing. Many assisted living programs simply cannot participate in the SALGHS program or in the Community Options Waiver under Medicaid.¹ The subsidy provided under the SALGHS has not been increased since 2003. By increasing the subsidy, it would aid assisted living programs in being able to participate in the SALGHS. However, not only is it important to increase the subsidy but the overall budget for the SALGHS must also be increased. This will avoid the situation where the increased subsidy has the effect of simply reducing the number of individuals that can be served by it.

It is important to note that when seniors do not have access to affordable services, they run the risk of declining health. This can then easily require care at a higher level of acuity, which most likely would occur in a nursing facility on Medicaid, at a much higher cost to the State. By investing in the availability of lower cost settings now, the State can save monies in the outyears.

For more information call:

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¹ House Bill 1696 (Chapter 798 of the Acts of 2018) Costs Associated with Providing Services and Care Under Other Home-and-Community-Based Services reports that the disparity between State reimbursement and cost of care is between \$42.17 (assisted living level 2) and \$53.24 (assisted living level 3).