



**TESTIMONY BEFORE THE  
HOUSE APPROPRIATIONS COMMITTEE**

February 25, 2020

House Bill 564: Department of Aging - Assisted Living Program Subsidies - Determinations  
*Written Testimony Only*

**POSITION: SUPPORT**

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to express our support for House Bill 564.

HFAM represents over 170 skilled nursing centers and assisted living communities in Maryland, as well as nearly 80 associate businesses that offer products and services to healthcare providers. Our members provide services and employ individuals in nearly every jurisdiction in the state. HFAM members provide the majority of long-term and post-acute care to Marylanders in need: 6.2 million days of care across all payer sources annually, including more than 4 million days of Medicaid supported quality care to Marylanders who would otherwise be in hospitals at a higher cost.

HFAM supports House Bill 564. We applaud its sponsors and the Committee for advancing this important work. The subsidy to help low-income seniors reside in assisted living communities has not been raised for years. Medicaid funded care in the assisted living setting is often only provided by very small assisted living centers, small businesses, non-profits, and in communities. Even with this adjustment the Medicaid rate paid for assisted living is much lower than private sector rates.

While private pay is the dominant payer source for care and lodging in assisted living and is market-driven, private pay is a tiny percentage of the payer source in skilled nursing and rehabilitation centers. The majority of care in skilled nursing and rehabilitation centers is underwritten by Medicaid and Medicare rates set by the government. And while Medicaid rates for skilled nursing and rehabilitation centers have incrementally increased, they remain underfunded. For this reason, when we testify in support of sound public policy such as HB 564, we must explicitly point out that Medicaid rates for quality care provided in skilled nursing and rehabilitation centers should not be reduced to pay for this adjustment. In order for healthcare delivery to be most effective across all settings, rates to underwrite access to quality care must be protected.

**For these reasons, we request a favorable report from the Committee on House Bill 564.**

*Submitted by:*

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