



**TESTIMONY BEFORE THE
SENATE FINANCE COMMITTEE**

March 3, 2020

Senate Bill 642: Home- and Community-Based Waiver Services - Alterations and Task Force

POSITION: OPPOSE

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to testify on Senate Bill 642. 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 the majority of post-acute and long-term care to Marylanders in need, including more than four million Medicaid days of care and one million Medicare days of care annually.

We genuinely appreciate the intention of this legislation and those who brought it.

We support the creation of a Task Force to examine the continuum of care globally and to ensure adequate funding across the care continuum without sacrificing quality care at any one critical point. Should this legislation pass, we look forward to being part of this Task Force.

However, we oppose Senate Bill 642. Marylanders who receive care in skilled nursing and rehabilitation centers are often facing multiple severe chronic conditions and most have some type of dementia diagnosis. If these individuals were not cared for in our centers, they would most likely otherwise be cared in a hospital and not at home. This would raise hospital costs relative to Maryland's unique Total Cost of Care (TCOC) contract with the federal government.

Residents in Maryland skilled nursing and rehabilitation are medically complex with high activities of daily living (ADL) scores. For example, in 2018, 58.7% of Maryland skilled nursing and rehabilitation residents were dependent on caregivers for assistance with bathing, which was nearly twice the national average of 34.9%. Again, most have advanced clinical comorbidities such as congestive heart failure and diabetes, in addition to dementia.

In terms of quality, Maryland skilled nursing and rehabilitation centers have demonstrated improvement on 19 of the 24 quality outcomes measured by the Centers for Medicare and Medicaid Services (CMS). In 2018, Maryland centers scored higher than the national average on 20 of the CMS quality measures.

We do not object in principle to additional funding for home- and community-based waiver services, as long as it does not undermine essential funding for individuals who do depend on services in skilled nursing and rehabilitation centers.

While more home- and community-based care capacity is needed, that increased capacity will not result in residents leaving skilled nursing and rehabilitation centers to receive care at home. Increased funding for home- and community-based services cannot come at the expense of cutting the rates for providers, like our centers, who serve more medically complex patients in need of 24/7 care. This would likely result in higher hospital costs in the face of a hospital reimbursement system focused on limiting the total cost of care.

The return on our healthcare investment in more home and community care capacity is aimed in the long-term at helping Marylanders to be clinically healthier and independent longer, which is good and will appropriately delay Marylanders entering skilled nursing and rehabilitation centers. In the near-term, care for more medically complex residents and patients, who would otherwise be in a hospital at a much higher cost, will continue to receive quality care in skilled nursing and rehabilitation centers.

Thank you for your leadership. Together we will navigate towards a better, healthier Maryland.

For these reasons, we oppose Senate Bill 642.

Submitted by:

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