



*Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary*

March 10, 2020

The Honorable Delores G. Kelley  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: SB 733 – Public Health – Care of Medically Fragile Individuals (Channing’s Law) – Letter of Information**

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of information on Senate Bill 733 (SB 733) – Public Health – Care of Medically Fragile Individuals (Channing’s Law).

SB 733 would require the Department to pay for a training program and annual skills review for nurses who care for medically fragile individuals in the home. This program would be administered by the Office of Health Care Quality (OHCQ). Training requirements and the increases to reimbursement for nurses to offset lost work hours would begin January 1, 2022.

SB 733 would have a substantial fiscal impact, estimated at \$2.6 million TF (\$1.3 million GF, \$1.3 million FF) for FY22, increasing to \$5.2 million TF (\$2.6 million GF, \$2.6 million FF) in subsequent years. Fiscal impact will be driven by the cost to deliver training and provider rate increases necessary to offset the lost billable hours due to participation in annual training.

Currently, the State of Maryland has 59 home health agencies in operation, with an estimated 1,545 nurses who would need training under this bill. Each nurse would undergo training and a skills review administered by OHCQ on an annual basis. The Department estimates the total cost of training will be approximately \$2.7 million TF annually.

The bill as written also requires increasing provider hourly rates to offset the lost billable hours for time attributable to training and to comply with regulations stipulated by this bill. The Department estimates that for each trained nurse, approximately 40 billable service hours will be lost each year. The Department anticipates the cost of lost billable hours would be \$2.56 million TF annually. Additionally, base hourly rates would need to be increased for RNs by \$15.70 (to \$73.86) and for LPNs by \$0.64 (to \$38.58) to offset the loss in billable hours resulting from enhanced training requirements.

I hope this information is useful. If you would like to discuss this further, please contact Director of Governmental Affairs, Webster Ye, at (410) 260-3190 or [webster.ye@maryland.gov](mailto:webster.ye@maryland.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read "Robert R. Neall", with a long horizontal flourish extending to the right.

Robert R. Neall  
Secretary