



**TESTIMONY BEFORE THE
SENATE FINANCE COMMITTEE**

February 24, 2021

Senate Bill 741: COVID-19 Testing, Contact Tracing, and Vaccination Act of 2021

POSITION: FAVORABLE

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to express our support for Senate Bill 741: COVID-19 Testing, Contact Tracing, and Vaccination Act of 2021.

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 of the state. HFAM members provide the majority of post-acute and long-term care to Marylanders in need: 6 million days of care across all payer sources annually, including more than 4 million Medicaid days of care and one million Medicare days of care. Thousands of Marylanders across the state depend on the high-quality services that our skilled nursing and rehabilitation centers offer every day.

Testing, vaccination, infectious disease prevention protocols, and above all, being person-focused and clinically-driven are critical to winning our ongoing fight with COVID-19. Relative to Senate Bill 741, this testimony is focused primarily on testing.

Testing in skilled nursing and rehabilitation centers, in assisted living, other group homes, or even correctional settings is central to identifying outbreaks and hotspots, fighting COVID-19, and ultimately saving lives. Key points upfront:

- Research from Brown, Harvard, and the University of Chicago indicates that there is a correlation between the positivity rate in the community and the positivity rate in congregate settings in that community. For example, a higher positivity rate in Laurel, Elkridge, Silver Spring, Gambrills, or Hagerstown would mean that there are more likely more positive cases among skilled nursing centers, assisted living campuses, and correctional facilities in those communities.
- We also know from articles published in The Journal of the American Medical Association (JAMA) that there is a correlation between severe COVID-19 infection and death and chronic pre-existing conditions such as diabetes and hypertension; and, communities of color and economically disadvantaged communities are disproportionately impacted by these chronic medical conditions.
- **Bottom Line:** Increased, targeted testing in the community-at-large and continued surveillance testing in our sector and other congregate settings will continue to be critical going forward.

IMPORTANT NOTE: In some respects, these critical points are also very relevant to vaccination planning and rollout.

It is important to remember that we have covered a great deal of ground in our fight against COVID-19 over the last year. The fact we are talking about vaccine deployment is a credit to our scientists and our medical-industrial complex.

A year ago, testing in Maryland was done at the State Lab in cooperation with the Centers for Disease Control and Prevention (CDC) and tests were limited to just dozens per day. It was not until March 2020 that commercial labs and hospitals in Maryland stood-up their PCR testing capacity.

While we were at the beginning of the first dramatic COVID-19 surge, skilled nursing and rehabilitation centers began initiating and paying for testing in advance of government orders. Without the actions of these leaders, we would not have known how desperate the situation was and fewer lives would have been saved.

From April 2020 to today, commercial lab and hospital PCR testing capacity has been going full steam ahead, with massive ongoing testing volume. Unfortunately, when public and consumer demand for testing increased over the past year, all healthcare settings struggled to get clinically actionable results from some labs within 48 hours. Commercial labs and urgent care settings with the most experience before the pandemic, as well as hospitals, consistently met the 48-hour turnaround requirement.

From April to August 2020, the Maryland Department of Health (MDH), via directives empowered by Governor Hogan's Executive Orders, mandated testing in skilled nursing and rehabilitation centers, coordinated logistics, and paid for that testing via the state contracting directly with labs.

From August 15, 2020 forward, skilled nursing and rehabilitation centers were required to contract directly with labs and to pay testing expenses. Governor Hogan's orders on November 17, 2020 rightfully linked testing in our sector to community positivity rates and mandated twice weekly testing of employees in our setting.

The cost of the tests for patients and residents are largely, but not always, covered by health insurance, Medicare or Medicaid. The costs of the tests for employees are sometimes covered by health insurance. However, like other large employers, skilled nursing and rehabilitation centers underwrite and self-insure their commercial plans, so ultimately, they have to cover the expense of employee COVID-19 testing. In addition, it is important to consider the additional staffing needed to administer tests and record results.

Since September 2020, the MDH COVID-19 Testing Task Force has distributed 1.3 million point-of-care (POC) tests to Maryland skilled nursing and rehabilitation centers, assisted living campuses, group homes, and other congregate settings. These POC tests augment commercial lab PCR testing and can be used for one of the two weekly staff tests currently required per MDH order.

Senate Bill 741 includes provisions for paying for ongoing testing and reimbursement for our sector, which is vitally needed. Here are examples of the cost of testing in Maryland skilled nursing and rehabilitation centers:

- A sampled set of nine (9) nursing homes have spent \$1.6 million on testing from September 2020 to February 2021.
- Even with insurance coverage, another nursing home spent \$600,000 on testing in 2020.

- Yet another nursing home spent \$700,000 from March 2020 to the present.
- COVID-19 testing in Maryland skilled nursing and rehabilitation centers ranges from about \$20,000 to \$75,000 per week, depending on the breakdown of which tests are used (PCR and POC), the center's size, and the government ordered frequency of testing.

NOTE: The way forward on testing is to maintain PCR commercial lab testing augmented by point-of-care testing. As visitation increases, there will likely be a role for point-of-care testing relative to visitation.

Finally, some may say that due to the Federal CARES Act funding or augmented state testing, this bill and the financial support are unnecessary. That is simply not the case. Here are three real examples:

- A nursing home received \$1.1 million in Federal CARES Act funding, but experienced a revenue loss of \$3.3 million (because with fewer non-COVID patients being cared for in hospitals, fewer people were being sent to nursing homes for care). They spent \$1.3 million on emergency agency staffing and other COVID expenses such as PPE and testing. That is a federal grant of \$1.1 million against loss of revenue and spending increases of \$4.6 million.
- Another nursing home received \$990,000 in Federal CARES Act funding, but experienced a revenue loss of \$691,000 (because with fewer non-COVID patients being cared for in hospitals, fewer people were being sent to nursing homes for care). They spent \$1 million on emergency agency staffing and other COVID expenses such as PPE and testing. That is a federal grant of \$990,000 against loss of revenue and spending increases of \$1.7 million.
- One last example: A nursing home received \$930,000 in Federal CARES Act funding, but experienced a revenue loss of \$700,000 (because with fewer non-COVID patients being cared for in hospitals, fewer people were being sent to nursing homes for care). They spent \$620,000 on emergency agency staffing and other COVID expenses such as PPE and testing. That is a federal grant of \$930,000 against a loss of revenue and spending increases of \$1.3 million.

NOTE: In addition, these three centers paid current employees a total of \$789,000 in hero pay bonuses.

For these reasons, we request a favorable report from the Committee on Senate Bill 741.

Submitted by:

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