



2022 SESSION
POSITION PAPER

BILL NO: SB 677

COMMITTEE: Senate Finance Committee

POSITION: Support w/Amendments

TITLE: SB 677 - Maryland Health Care Commission – Nursing Homes – Audit

BILL ANALYSIS

Senate Bill (“SB 677”) requires the Maryland Health Care Commission (“MHCC”) to conduct an annual audit of cost trends, labor issues, and financial performance of nursing homes in the State. The MHCC is also required to conduct an annual survey of the nursing home workforce covering questions on working conditions, wages, hours and mandatory or voluntary overtime, and interactions with management and residents in the facility. To fund the audit, the Commission would establish a fee to be paid by each nursing home subject to the audit to cover the cost of the audit.

POSITION AND RATIONALE

The Maryland Health Care Commission supports SB 677 with the amendments being offered by the sponsor and the proponents of this bill.

MHCC already collects similar or identical data through the MHCC Long Term Care Survey and receives the equivalent financial information that would be gathered from an audit from the Maryland Medicaid Administration.¹ Requiring MHCC to independently gather data as envisioned by SB 677 would not expand the scope of information on nursing home utilization and revenues.

The MHCC Long Term Care Survey is administered annually on all nursing homes and assisted living facilities with ten or more beds. The survey obtains current information including data on ownership, sources of payment, and the scope of services offered. The Maryland Medicaid Administration contracts with an independent accounting firm to collect nursing home financial and utilization data that is used for oversight and administration in an instrument known as the Medicaid Cost Report. Compilations of Medicaid Cost Reports are

¹ Note: The Maryland Health Care Commission is an independent State agency, and the position of the Commission may differ from the position of the Maryland Department of Health.

required by the federal government to keep state Medicaid programs in good standing with the federal government. In Maryland all nursing homes that participate in the Medicaid program are required to complete the Medicaid Cost Report and several supplemental schedules. Once reports are complete and accepted by the auditor, Medicaid authorizes the release of elements from the Medicaid Cost Report (“MCR”) and MCR Supplemental Schedules A, B, and C to MHCC. The Maryland Long Term Care Survey and the Medicare Cost Reports are not audited using the conventional meaning of audit. However, both data instruments are subject to exhaustive desk reviews during which inconsistent responses are clarified and sometimes corrected by personnel from the nursing homes.

Data from the Medicaid Cost Report, the MCR Supplemental Schedules, and the Maryland Long-Term Care survey are merged to provide MHCC with a comprehensive data system for monitoring utilization, performance, capacity, and quality. Information in this data system supplements quality metrics, family satisfaction information, safety data, and OHCQ deficiency and inspection reports on nursing homes for the Maryland Quality Reporting Website (<https://healthcarequality.mhcc.maryland.gov>). The information on nursing homes that is displayed on this popular website is presented in Attachment 1. Stakeholders interested in conducting their own research on utilization and the financial performance of nursing homes may download a subset of the Long-Term Care Survey and Medicaid Cost Reports at our public dataset website at https://mhcc.maryland.gov/public_use_files/index.aspx.

The Maryland Medicaid Administration is the appropriate entity to collect financial information on the nursing home industry. Nursing homes are required to provide this data as a condition of participation in the Medicaid program. States are required to collect Medicaid Cost Reports to keep their Medicaid programs in good standing with the federal government. As the Maryland Medicaid Administration is the primary source of payment for many nursing homes that Administration is in a strong position to obtain accurate financial information. The MHCC believes that even if MHCC collected and audited financial data, the Medicaid Administration would need to administer the Medicaid Cost Report to maintain Federal compliance.

The cost of conducting a duplicative financial audit will be significant. SB 677 would require MHCC to obtain the services of persons with accounting and financial analysis expertise who are not currently available on the agency staff to take on this new audit function. The cost of those services would be borne by the nursing home industry that is still operating under the challenges of the COVID-19 pandemic.

MHCC does not administer a worker satisfaction survey for any health care occupation or health care sector. Employer satisfaction surveys are often problematic because of low response rates. MHCC believes a more complete assessment of caregiver satisfaction could be conducted as part of the bi-annual license renewal required by the Health Occupation Boards. MHCC administered a physician survey as part of license renewal at one time and



achieved almost a 100 percent response rate. MHCC would be pleased to work with the Board of Nursing to develop a short survey that could be completed as part of license renewal. This approach would yield a more complete picture of nursing personnel's satisfaction across many different sites of employment and a very modest cost. Given nursing staffing deficits and widespread evidence of staff burnout, a broader assessment is appropriate. If a health worker survey is contemplated, that survey should cover more than the nursing staff employed in nursing homes and should engage the Health Occupations Boards, particularly the Maryland Board of Nursing.

MHCC sees no value in duplicating information gathering completed by the Medicaid Administration given that information is already shared and used in oversight and quality reporting activities at MHCC. The MHCC Long Term Care Survey can be used as a trusted source for utilization data not collected by Medicaid. Using already collected information will enable MHCC to meet the objectives of SB 677 without imposing additional costs on the industry.

For the reasons noted above MHCC encourages the Committee to issue a favorable report on SB 677 and on the amendments offered.



Attachment 1 - Maryland Quality Reporting on Nursing Homes

The **Maryland Quality Reporting website** includes several measures a consumer can use to evaluate how well Maryland nursing homes give care to residents:

1. **Quality Measures** that evaluate the way care is given (process) and the results of care (outcome)
2. **Experience of Care Measures** that evaluate how well a responsible party (close family member or friend) or the resident rated the care
3. **Staffing Measures** that show how much time is spent with each patient per day, by different nursing staff and physical therapist
4. Results of **Health and Fire Safety Inspection Reports** performed on-site
5. Rates of **Influenza Vaccination** of nursing home staff

Quality Measures reports 20 measures, 14 that evaluate the care for long stay residents and six measures that evaluate care for short stay residents. Examples of measures include how well pain is managed; residents that develop pressure ulcers (bed sores) in the nursing home, and residents given influenza vaccination during the flu season. Quality measures are calculated by Centers for Medicare and Medicaid Services (CMS) from the data supplied by each nursing home using the Minimum Data Set (MDS).

Experience of Care Measures are reported in the *Family Satisfaction Survey* that is conducted each year. This survey is completed by a responsible party (usually a family member) for a long term resident of a nursing home. The Maryland Health Care Commission conducts this report every year, with the most recent survey conducted in 2020. The next survey will be conducted in the fall of 2021, with survey reports available in the winter of 2022.

Health and Fire Safety Inspection Reports are obtained from inspections completed by the Maryland Office of Health Care Quality (OHCQ) and reported to CMS. OHCQ visits each nursing home to determine if the nursing home is meeting federal and state regulations. Inspections are done to ensure that the nursing home residents receive safe, quality care and services in accordance with rules established by CMS and the state. Each nursing home is required by law to have the latest survey results on available for public inspection.

Influenza Vaccination Rates of Nursing Home Staff: It is important that health care workers who provide care to people 65 years or older or those with medical conditions like asthma, diabetes, heart disease, or kidney disease get vaccinated against influenza, as advanced age and complicated medical conditions put a person at higher risk for influenza-related complications and death. The rates displayed report the percentage of staff vaccinated in the nursing home compared to the statewide average (the percentage of staff vaccinated in all Maryland nursing homes).

To find the quality measures for a specific Maryland nursing home, or to compare results for up to five Maryland nursing homes, go to the **Maryland Quality Reporting website** and select **Nursing Home**.

