



**TESTIMONY BEFORE THE
HOUSE HEALTH AND GOVERNMENT OPERATIONS COMMITTEE**

March 31, 2022

Senate Bill 677: Maryland Health Care Commission - Nursing Homes - Reporting
Written Testimony Only

POSITION: UNFAVORABLE

On behalf of the members of the Health Facilities Association of Maryland (HFAM), we appreciate the opportunity to express our opposition and provide background on Senate Bill 677. 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.

Senate Bill 677 requires the Maryland Health Care Commission (MHCC), by January 31 each year, to post a report on its website with specified information regarding nursing homes for the immediately preceding year.

This information must include (1) each change in ownership at a licensed nursing home, as reported to MHCC; (2) information on the trends in the utilization of licensed nursing homes in the State, sortable by individual facility, facility owner, and region in the State; and (3) a summary of the financial data regarding licensed nursing homes collected by MHCC for the purposes of health planning and available as a public use file. MHCC must publish searchable information on licensed nursing homes on its website, including information from and links to cost reports filed with MHCC by nursing homes.

While transparency and data are incredibly important, the information requested by this legislation is already reported and available through annual cost reports, surveys, and the CMS Nursing Home Compare website. For example, ownership is already available on the CMS Nursing Home Compare website so this requirement is duplicative.

The details surrounding the financial data required to be reported for public use files proposed in this legislation are vague, and therefore concerning.

Additionally, a long-term care survey is already conducted annually by the MHCC per COMAR 10.24.03. This information is used to develop the State health plan, need for additional capacity, assess financial health, and overall performance of the industry. In addition, gross patient revenues are reported in cost reports and as part of the LTC survey to determine annual user fee, which is paid quarterly to MHCC.

Whether organized as for-profit or not-for-profit entities, nursing homes are already among the most regulated and transparent organizations. The vast majority of revenue nursing homes receive are non-

negotiable and come in the form of state Medicaid and federal Medicare reimbursement rates. These are known and can be reviewed.

To this point, it is important to note that Medicare and Medicaid rates are not cost-based per facility. The purpose of requiring disclosure of cost reports is vague.

Lastly, for decades nursing homes have rightfully been subject to unannounced annual federal and state inspections at any time. The results of those inspections are required to be made available to members of the public visiting the centers and are also available online. In addition, those surveys are a driver of the Centers for Medicare and Medicaid Services' (CMS) Nursing Home Compare Five-Star Rating system—again, these are already publicly available online.

Given the abundance of reporting, oversight, transparency, surveys, and data already available, the reporting requirements proposed in this legislation are unnecessary, duplicative, and burdensome both financially and administratively.

For these reasons, we respectfully request an unfavorable report from the Committee on Senate Bill 677.

Submitted by:

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