



One Park Place | Suite 475 | Annapolis, MD 21401-3475
1-866-542-8163 | Fax: 410-837-0269
aarp.org/md | md@aarp.org | twitter: @aarpm
facebook.com/aarpm

SB 1000 Maryland Health Care Commission – Nursing Homes – Acquisitions
Senate Finance Committees
FAVORABLE
March 7, 2024

Good afternoon, Chair Beidle and members of the Senate Finance Committee. I am Tammy Bresnahan, Senior Director of Advocacy for AARP Maryland. AARP Maryland advocates on behalf of two million Marylanders age 50 and over. AARP Maryland supports SB 1000. We thank Chair Beidle for introducing this very important bill.

SB 1000 requires a person, at least 120 days before making a contractual arrangement for the acquisition of a nursing home, to submit a request for “acquisition” to the Maryland Health Care Commission (MHCC) and provide specified notice to the residents and staff of the nursing home. The Executive Director of MHCC must review a completed request for acquisition within 60 days and, in consultation with the Secretary of Health, may (1) approve the acquisition; (2) approve the acquisition with conditions; (3) deny the acquisition; or (4) refer the request for acquisition to MHCC for a final decision. The bill removes the requirements for (1) MHCC to provide specified written findings and recommendations to the Office of Health Care Quality (OHCQ) when evaluating a notice of acquisition or transfer of interest of a nursing home and (2) the Secretary of Health to consider MHCC’s findings and recommendations before taking action to approve, deny, approve with conditions, or revoke a nursing home license.

The institutions that serve so many older and infirm Americans were created based on rules and laws passed decades ago, when needs and expectations were different. Nursing home funding and oversight come in large part from government budgets that can be stingy. But most nursing homes are privately owned, meaning there is [little transparency into their finances](#) and operations. Are they, as they claim, pinching pennies to survive, or are they profiting at the expense of quality care?

According to the final MHCC report, in recent years, Maryland has seen a high number of private equity acquisitions of nursing homes. This is due to three main reasons. The first is that Maryland has a lower penetration. Secondly, Maryland has a comparatively higher Medicaid reimbursement rate than most states. And lastly, the regulatory environment in Maryland is not viewed to be overly contentious when compared to other states. These three factors make Maryland attractive to private equity (PE) firms, real estate investment trusts, and high net worth individuals who wish to invest in nursing homes.

AARP Maryland supported a 2023, SB509/Chapter 288 and HB 702/Chapter 289 required the Maryland Health Care Commission, in consultation with stakeholders, including Maryland

Medicaid, the Office of Health Care Quality (OHCQ), nursing homeowners, consumer representatives, and representatives of organized labor to study and make recommendations regarding expanding the Certificate of Need (CON) program's authority to review acquisitions of nursing homes.

SB 1000 codifies recommendations from the workgroup report.

1. The Commission shall seek to expand its authority to recommend the denial of an acquisition based on quality metrics, and other standards as appropriate, required in Certificate of Need (CON) reviews (COMAR 10.24.20) to align CON quality standards with nursing home acquisition regulations.
2. The Commission shall increase the timeframe that the acquiring owner must submit all required documents to the Commission to 45 days prior to the transaction closing. MHCC staff will complete its review within 45 days of receiving a complete Notice of Acquisition/Transfer of Ownership Interest of a Comprehensive Care Facility.
3. The Commission shall expand its authority to require an acquiring entity of a nursing home to eliminate or reduce, to the maximum extent possible, the number of multiple-bed (3+ beds) rooms within three years from the acquisition date. These transitions shall be incremental and implemented with appropriate planning.

AARP Policy

Federal and state governments should work closely with consumer groups to develop and implement a standardized format for nursing facilities to disclose the names of all parties with ownership control or lease, financial, or operational interest in the facility. This data should be submitted to federal and state governments, the state long-term care ombudsman, and the public. Federal and state governments should notify the public of the availability of this information and make it readily accessible to the public.

Nursing facilities should be required to notify prospective and current residents, their families, and resident councils of the availability of ownership information and provide them with this information upon request.

AARP Maryland was represented on the workgroup in 2023. We support the recommendations and provisions in SB 1000. We respectfully ask the Senate Finance to issue a favorable report on SB 1000. If you have questions on follow up, please contact me at tbresnahan@aarp.org or by calling 410-302-8451.