



Weekly Policy Highlights

For week ending January 22, 2010

Key Committee Codes:

B&T = Senate Budget and Taxation

EHEA = Senate Education, Health & Environmental Affairs

FIN = Senate Finance Committee

JPR = Senate Judicial Proceedings Committee

APR = House Appropriations

ECM = House Economic Matters

ENV = House Environmental Matters

HGO = House Health & Government Operations

JUD = House Judiciary Committee

All bills can be reviewed under the General Assembly Website at www.mlis.state.md.us by clicking "Bill Information and Status". Type the bill number by SB or HB plus the bill number (e.g., SB101 or HB9).

2010 GENERAL ASSEMBLY SESSION NEWS --

1. BUDGET NEWS –

The Governor released his FY2011 budget on Wednesday. Since then, Lifespan has been speaking with State agencies in order to learn the details of the proposals. Below is a summary. When more information becomes available, LifeSpan will update you.

MEDICAL ADULT DAY CARE: Level-Funded. Current rates will continue through June 30, 2011. Please note that this is inconsistent with regulatory language that requires the State to increase rates in accordance with the CPI, medical inflation. There is currently a proposal to qualify this increase by adding "*subject to the limitations of the State budget,*" which would have the effect of negating this requirement.

NURSING FACILITIES:

- Rates Are Level-Funded. Current rates will continue through June 30, 2011.
- HOWEVER, the Governor has introduced a bill to increase the quality assessment (provider tax) from a two-percent cap to a four-percent cap, which will affect whether a nursing facility is actually level-funded. Under this proposal, a portion of the revenues generated from the increase

(\$17 million) would go to the General Fund and the remainder would be cycled through the program. LifeSpan is currently running data models to better understand the impact on the industry. We will send out additional information to our members after the data models are completed.

- The budget contains a \$3.5 million reduction for a nursing home incentive program. HOWEVER, no one at the State has been able to identify with specifics the details of this provision. LifeSpan will continue to examine this issue.

OLDER ADULTS WAIVER PROVIDERS: Level-Funded.

CONGREGATE HOUSING PROGRAM: LifeSpan is working with the Department of Aging to understand the budget impact for this program.

*** It is important to note that the Governor's budget makes several assumptions that could affect the Medicaid program in the future. One of these assumptions is that the enhanced federal match of 62% will be extended past its current expiration date of December 2010. If the enhanced match is not extended, this will result in a deficit to the budget. LifeSpan supports the continuation of the enhanced match and has written to our Congressional delegation requesting the extension.

STATE AGENCY BUDGETS – LifeSpan is still gathering information on how staffing and other resources in State agencies were affected by the FY2011 budget.

2. BRIEFINGS HELD THIS WEEK -

RATE SETTING PROCESS: This briefing occurred before the House Appropriations Subcommittee on Health and Human Services regarding the rate setting process for nursing facilities, medical adult day care and older adults waiver providers. Other providers included in this briefing were hospitals, managed care organizations, developmental disability providers, mental health providers and other community based providers. The main issue that the Committee was interested in learning more about was the impact that interim cuts have on a facilities operating budget and whether the industries were consulted prior to the cuts being made. On behalf of LifeSpan and MAADS, I emphasized the difficulty of interim cuts, given the few choices providers have to absorb the cuts. There will be further briefings on our actual rates, etc.

ELECTRONIC MONITORING AND QUALITY OF CARE FOR NURSING HOMES: OHCQ provided testimony on the efforts to work with residents and facilities that have expressed an interest in electronic monitoring. OHCQ stated that it believes that it is important for a program to be voluntary between the provider and the resident. Regardless of this briefing, a bill will be re-introduced requiring a nursing facility or assisted living community to accept electronic monitoring in a resident's room if a resident requests it. LifeSpan did testify on quality of care in nursing facilities and reported that the family satisfaction surveys show a positive trend in family satisfaction – 90% of families would recommend the facility, up from 89% last year.

3. BRIEFINGS SCHEDULED FOR NEXT WEEK –

Senate Finance will be holding a briefing on DHMH/DHR eligibility process, pay-for-performance, and the fiscal outlook of nursing facilities. LifeSpan is scheduled to testify at this briefing.

INTRODUCED BILLS:

Affected Industry	Business Bills
All	SB106/HB92 Labor and Employment – Job Creation and Recovery Tax Credit. This is an emergency bill by the Governor to create a \$20 million program that allows a qualified employer who hires a qualified employee between January 1, 2010 – December 31, 2010 to obtain a \$3000 tax credit per employee, not to exceed \$250,000 per employer. Bill defines qualified employee and qualified employer.
All – reviewed 1/15/10 by LPC	SB107/HB91 Labor and Employment – Unemployment Insurance – Modernization and Tax Relief Act. <u>Hearing Date: 1/26 3:00 FIN.</u> This is a Governor’s emergency bill. The preamble of the bill states that the Fund’s solvency is at risk through 2010. \$126.8 million is available from the federal government if Maryland meets certain modernization incentives by September 30, 2011. This bill adopts an alternative base period, adjusting how the state determines a claimant’s monetary eligibility and employer charges. Base period would include the 4 most recently completed calendar quarters immediately preceding the start of the benefit year only if the individual applying doesn’t qualify under existing benefits. The bill also makes alterations to the definition of part-time worker that passed last Session; authorizes a one-year shift from Table F to Table E; reduces the interest rate of 1.5% to 1% per month or part of the month from the date a contribution or reimbursement payment is due and unpaid; and extends benefits for 26-weeks for individuals enrolled in training programs if the individual is separated from employment in a “declining” occupation and being trained in a “demand” occupation. NOTE: The Maryland Chamber of Commerce opposes this bill on the basis that the short-term relief is outweighed by the long-term liabilities.
All	SB110 Labor and Employment – Job and Financial Privacy Protection Act. This bill states that an employer may not request a credit report from an applicant for employment or an employee unless: (1) the request has a bona fide work-related purpose; or (2) the employer is required to request the credit report under federal or state law. The Commissioner (Department of Labor, Licensing and Regulation must adopt regulations specifying what is a bona fide work-related purpose. If an employer denies employment to an applicant or discharges an employee because of a credit

	report received by the employer the applicant or employee may bring an action for injunctive relief, damages, or other relief.
All	HB214: Labor and Employment – Wage Payment and Collection Law – Definition of Wage: Text not yet available.
All	HB175: Labor and Employment - Credit Reports and Credit Histories of Applicants 2 and Employees – Limitations on Use by Employers. This bill does not apply to an employer that is required to inquire into an applicant’s or employee’s credit report or credit history under federal law or any provision of state law for the purpose of employment; or a financial institution where deposits are insured by 1 a federal agency that has jurisdiction over the financial institution. An employer may not use an applicant’s or employee’s credit report or credit history in determining whether to: (1) deny employment to the applicant; (2) discharge the employee; or (3) determine compensation or the terms, conditions, or privileges of employment. An employer may request or consider an applicant’s credit report or credit history if: (i) 1. The applicant has received an offer of employment; and 2. The credit report or credit history will be used for a purpose other than those prohibited by subsection (b) of this section; or (ii) the request has a bona fide work–related purpose. If an employer violates this section, the applicant or employee may bring an action for injunctive relief, damages, or other relief.
Affected Industry	Health Care Bills
All	SB9 – Health – Duty to Report Death – Requirement and Penalties. This bill would apply only to an individual who: (1) has permanent or temporary custody or responsibility for the supervision or care of the individual who is the deceased; (2) is a spouse, parent, or adult child of the deceased; or (3) is a member of the household of the deceased. An individual who has personal knowledge of the death of another individual or who has personally discovered the body of another individual shall provide, in person or by telephone, notice of the death within 24 hours after acquiring personal knowledge or discovery of the death to: (1) a law enforcement officer as defined in § 3–101 of 15 the public safety article; (2) a physician who has provided medical treatment to the deceased individual within 30 days prior to the knowledge or discovery of the death; (3) a 9–1–1 system or public safety answering point as those terms are defined in § 1–301 of the public safety article; or (4) a medical examiner.
Nursing Facilities	SB141/HB151: Budget Reconciliation and Financing Act of 2010. This bill contains the increase to the Nursing Facility Quality Assessment Program has described above in the “Budget News.”

Nursing Facilities	SB144/HB137: State Board of Examinations of Nursing Home Administrators – Sunset Review and Evaluation. This bill extends the Board from 2013 to 2017.
All Medicaid providers	SB 187: Maryland False Claims Act. The Governor will be releasing a bill to create a Maryland False Claims Act.
All	HB179: State Board of Nursing – Temporary License – Issuance. This bill allows the Board to issue a temporary license when an applicant has passed an examination for RN or LPN but is waiting for a criminal history background check.
FYI Bills	
	SB190 – Seniors Tax Relief Act. This bill increases the additional exemption amounts allowed under the Maryland income tax for elderly or blind individuals from \$1,000 to \$1,500 from 1/31/11 – 1/1/13 \$2,350 from 1/31/12 – 1/1/14, and \$3,200 in after December 31, 2013 and beyond.

Questions regarding information contained in this document should be directed to Danna Kauffman, Vice President of Public Policy, Lifespan Network at dkauffman@lifespan-network.org.