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Nursing Home Acquisition Workgroup
MEETING SUMMARY

Friday, July 14, 2023

10:00a.m. -12:00 p.m.

Recording Link: <https://youtu.be/rLL1cEgSBc>

Attendees

In-person

Stacy Howes
Jeanne Marie Gawel
Ben Steffen
Tracey DeSheilds
Julie Beard
Wynee Hawk
Howard Sollins
John Spadaro
Joe DeMattos
Theresa Lee

Virtual

Marcia Boyle
Linda Cole
Tricia Nay
Heather Reed
Stevanne Ellis
Bonnie DePietro
Claudia Balog
Shelly Martin
Catherine Victorine
Del. Ken Kerr
Del. Sandy Rosenberg
Senator Pamela Beidle

Dorinda Adams
Erin Davis
Lorraine Arikat
Paul Miller
Hope Morris
James Buck
Jim Forsyth
Joshua Auerbach
June Chung
Kevin Heffner
Lisa Simpson
Randi Ames
Sarah Hemming
C. Boyd
Alexandra Baldi
Louis Grimmel
Jane Sacco
Ann McKay
Henry Schwartz
Anna Palmisano
Tyler Brice
Caitlin Tepe
Heather Forsythe
Andrea Nunez
Dana Kauffman
Alison Luitch
Su Mi Ko

Welcome and Introductions: 10:00 a.m.-10:10 a.m.

Stacy Howes, Chief of Long-Term Care and Health Plan Initiatives at the Maryland Health Care Commission, opened the meeting and conducted introductions.

Presentation: Slides 1-9: 10:10 a.m.-10:30 a.m. Nursing Home Acquisitions Transparency Study

Dr. Howes and Jeanne-Marie Gawel, Acting Chief of Certificate of Need, presented introductory information which included the review of the agenda, workgroup charge, SB509 summary/requirements, and the workplan. Dr. Howes then provided data on the current state of the nursing home industry which included a review of beds, occupancy, patient days, nursing home ownership (for-profit vs. nonprofit) and primary payer sources. Following the data review, Ms. Gawel presented on current Federal/State initiatives which included a literature review of multiple relevant studies and articles.

This review was followed by a question-and-answer period that included a discussion of nursing home payer sources and revenues vs. days. Linda Cole shared that in Maryland the majority of patient days are Medicaid (60%). Mr. DeMattos commented that there is an increase in Medicare Advantage days which reimburse lower than traditional Medicare. Senator Beidle asked if private pay patients pay more than the other categories of payer sources, and Mr. DeMattos stated that they pay what the market will bear. Mr. Sollins commented some private pay residents are spending down their assets and will become eligible to Medicaid. There was also a discussion spurred on by a question from Delegate Rosenberg of why we rank 5th highest in acquisitions. Mr. Steffen commented that Maryland has higher Medicaid rates than other states making it an attractive state to acquire nursing homes. A question was also asked if a nursing home was moving and taking over a previous school site what factors would be considered. Wynne Hawk responded that this would likely be a Determination of Coverage/Non-Coverage not a CON but would have to consult regulations.

Presentation: Slides 10-53: 10:30 a.m. -11:00 a.m. OHCQ Change of Ownership Nursing Homes

Dr. Howes introduced Heather Reed Deputy Director with the Office of Health Care Quality (OHCQ). Ms. Reed provided a comprehensive presentation on the OHCQ change of ownership (CHOW) process including the CHOW dashboard and related CHOW forms.

Ben Steffen thanked OHCQ for sharing their CHOW process.

Presentation: Slides 54-63: 11:00 a.m.-11:35 a.m. Nursing Home Acquisitions Transparency Study

Ms. Gawel shared information about what other states (New York, California, Rhode Island) are doing regarding the regulation of nursing home acquisitions. Mr. DeMattos stated that the NY Attorney General only has authorization over non-profit nursing homes. Ms. Gawel then reviewed COMAR 10.24.20 acquisition rules. Dr. Howes shared MHCC data on nursing home acquisitions from 2019-2022. The discussion then turned to quality of care, and Dr. Howes explained the CMS 5-star rating system and scoring process. Ms. Gawel reviewed the State Health Plan standard on Quality Rating and the Commission's current acquisition form/process.

This was followed by a question-and-answer period/discussion. One question was -can the 5-star ratings be compared across states and Dr. Howes stated that it could. It was also discussed if the facility had a poor survey, it could not achieve higher than 2 stars. Mr. Spadaro shared the system is geared toward a negative result. Mr. Sollins shared that the 5-star system is only one tool that should be used when looking at quality. Mr. Steffen commented that currently, if there were a new CON applicant, they could not build any new construction with rooms larger than single or double occupancy; and this applies to waiver beds as well.

Next Steps: 11:35 a.m.-11:45 a.m.

Stacy Howes reminded the group that the next meeting is on August 4, 2023. She said the presentations would be available on the workgroup webpage within a week.

Ben Steffen, Executive Director at MHCC, also thanked participants and presenters for their time and contribution to the discussion.