



# Maryland Health Care Commission: Nursing Home Acquisitions Transparency Study

WORKGROUP MEETING 3

AUGUST 25, 2023



# Agenda August 25, 2023 2:30-4:30pm

1. Welcome
2. Meeting Minutes: August 4, 2023
3. Robert Kramer, Founder, Chair and Fellow at Nexus Insights-Question and Answer Session
4. Review of Workgroup-Identified Concerns
5. Possibilities for Robust Quality Oversight
6. Next Steps



**MARYLAND**  
**Health Care**  
**Commission**

# Robert Kramer, Founder, Chair and Fellow at Nexus Insights

QUESTION AND ANSWER SESSION



# Workgroup Identified Concerns

- ▶ Hiding ownership information
- ▶ Reduction of staffing
- ▶ Increase in resident, family, and employee concerns
- ▶ Spinning off real estate from acquired home
- ▶ Outsourcing key services
- ▶ Upcoding to increase revenue
- ▶ Possible decrease in quality/increase in mortality
- ▶ Increased Medicare spending
- ▶ **Additional concerns?**



# Possibilities for Increased Oversight

- ▶ Monetary
  - ▶ Require spending a certain % on patient care
  - ▶ Require operating budget be forwarded for the first two years
  - ▶ Disclose debt/plans to incur additional debt
  - ▶ Increase surveillance of pre- and post-transactions
  - ▶ Require letter of credit/bond to pay for any future judgements
  - ▶ Create a ceiling on rent increases if the facility is renting its own property
- ▶ Structural and Staffing
  - ▶ Require removal of all triple/quad rooms
  - ▶ Create a barrier to laying off staff for a period of time
  - ▶ Prohibit NDAs with staff and residents
  - ▶ Enforce current legislation (e.g., surveys/inspections soon after acquisitions)
    - ▶ Report findings to MHCC



# MHCC Current Authority: Quality Standard

- ▶ Current Certificate of Need quality standard:
  - ▶ (a) An applicant shall demonstrate, at the time of letter of intent submission, that at least 70 percent of all the comprehensive care facilities owned or operated by the applicant or a related or affiliated entity for three years or more had an average overall CMS star rating of three or more stars in CMS's most recent five quarterly refreshes for which CMS data is reported. (i) If the applicant or a related or affiliated entity owns or operates one or more comprehensive care facilities in Maryland, the CMS star ratings for Maryland facilities shall be used. (ii) If the applicant or a related or affiliated entity does not own or operate comprehensive care facilities in Maryland, CMS star ratings for such facilities in the states in which it operates shall be used. (b) An applicant that is an existing Maryland comprehensive care facility shall document, at the time of letter of intent submission, that it had an average overall star rating of three or more stars in CMS's most recent five quarterly refreshes for which CMS data is reported, unless the facility has been owned or operated by the applicant for fewer than three years.
- ▶ Benchmarks are:
  - ▶ Only required of nursing homes applying for Certificate of Need
  - ▶ Not currently required of nursing homes applying for an acquisition
  - ▶ Are used to unofficially evaluate the quality of nursing homes being acquired



# Possibilities for Robust Quality Oversight

- ▶ Add benchmarks that include performance requirements on the MHCC Nursing Home Family Experience of Care Survey
- ▶ Additional CMS data
  - ▶ Special Focus Facility status
  - ▶ Abuse flags
- ▶ Additional state-level data
  - ▶ Ombudsman annual report
  - ▶ OAG false claims data
  - ▶ OHCQ Annual Report
- ▶ Requiring oversight of post-transaction activities
- ▶ Requiring or changing certain quality benchmarks (previous slide)
  - ▶ Modify 70% requirement



# Next Steps

- ▶ Meeting 4 will be in September. We'll discuss:
  - ▶ Summarizing findings and working on Commission presentation.