

Maryland Commission on Aging
Maryland Department of Aging, 301 West Preston Street, Suite 1007, Baltimore , MD, 21201
May 13, 2015
Minutes

Members Present: Stuart Rosenthal—Chair, Sharonlee Vogel—Vice-Chair, Honorable Jordan Harding, Maria Jimenez, Rose Maria Li, Louise Lynch.

Members Absent: Sandie Callis, Honorable Barbara Frush, W. Lee Hammond, Michael C.A. McPherson, Chandhok (Jesse) Singh.

Staff Present: Rona E. Kramer, Esq., Secretary of Aging; Stephanie Hull, Deputy Secretary of Aging; Marty Roach, Chief, Continuing Care, Maryland Department of Aging (MDoA); Rosanne B. Hanratty, Staff, Commission on Aging, MDoA.

Approval of Minutes: The April 15, 2015 minutes were approved without change. The March 11, 2015 minutes were approved as amended.

Greetings and Introduction of New Commissioner: Mr. Rosenthal welcomed Rose Maria Li to the Commission and outlined her background in government, research and scientific management. He noted that she has a PhD in Public and International Affairs from Princeton and an MBA and BA in Economics from the University of Chicago and held several leadership positions at the National Institute on Aging of the National Institutes of Health. Commissioners and staff welcomed her and described their own backgrounds and motivations for serving on the Commission.

Secretary's Remarks: Secretary Kramer described the progress made year-to-date to implement the modified Area Agency on Aging (AAA) Area Plan approval cycle designed to ensure the distribution of state and federal funds to the AAAs coincident with the beginning of the state FY 16 fiscal year starting on July 1, 2015. Secretary Kramer said the process for FY 16 is compressed because preparation, review and acceptance of Area Plans has to be completed in a shorter framework of time than in future years to establish the new timing of the preparation and approval cycle.

She explained that the more comprehensive Area Plan process conducted every four years is also occurring before July 1, 2015 and that AAAs are presently conducting hearings to prepare for development of these plans. Ms. Vogel stated that Howard County's hearings and consultation for this process and for a county plan on aging is near completion. Ms. Lynch said Frederick County stakeholders have met. In response to questions, Deputy Secretary Hull clarified that the budget is approved annually but that the more comprehensive plans address longer-range issues and goals and have expanded narrative.

Secretary Kramer stated that major funding formulas for AAAs have not changed significantly this year but that there have been some changes made in grant funding to reflect changes in population of various jurisdictions.

Secretary Kramer announced that Kathryn Hewitt has been named the new finance director for the MDoA. She said Ms. Hewitt has held senior budgetary positions in Prince George's and Anne Arundel Counties and most recently has been Treasurer of Harford County.

Secretary Kramer outlined the efforts of the State, the MDoA and the Baltimore City AAA in the wake of the unrest in Baltimore. These included ensuring that residents of senior housing in the city have access to meals, grocery stores and pharmacies. For example, transportation is being provided to seniors with the help of partners such as United Way and Associated Jewish Charities as well as the Maryland Transportation Authority. Giant Foods is accepting renewal prescriptions from other providers. Ms. Lynch said that public/not-for-profit/ and private partnerships are important to meeting the needs of the growing older adult population. Mr. Rosenthal observed that resources are mobilized in the face of emergencies but that systemic issues can be more difficult to address.

Presentation--Background on Quality Assessment ("Bed Tax") and Continuing Care

Retirement Community Exemption: Marty Roach, Chief, Continuing Care, MDoA. Ms Roach distributed a list of the 37 active Maryland Continuing Care Retirement Communities (CCRCs), regulated by MDoA. She described the criteria for the various types of CCRCs and gave a broad outline of the approval process for proposed CCRCs.

Ms. Roach also explained the quality assessment ("bed tax") implemented under Nursing Facilities – Quality Assessment – Medicaid Reimbursement which became law in 2007 (Chapter 503). The purpose of the bed tax was to gain state revenues that can be leveraged to draw down federal financial matching funds. This additional revenue is used to increase the State Medicaid reimbursement rate so as to maintain quality of care in the face of low Medicaid reimbursement rates. The assessment of 2% daily for each non-Medicare day was approximately \$6.00/bed/day for each non-Medicare day in 2008; it is \$24.04 in 2015. Under federal regulations, the state obtains a 50% match on most state dollars spent for Medicaid purposes. Ms. Roach stated that the bed tax is a \$150 million program, providing an additional \$49.5 million federal match to the state. There are two exemptions from the "bed tax" - nursing homes with less than 45 beds and nursing home beds in CCRCs regulated by the MDoA.

The cost to nursing homes of paying the "bed tax" can be significant. Over 70% of the nursing home beds in Maryland are Medicaid and most are subject to the "bed tax." Because CCRCs are exempt from the "bed tax," some nursing home/assisted living providers have sought to be classified as CCRCs by converting a small number of beds into independent living units with no kitchens, and charging a small fee. Thus, these facilities would benefit from the higher Medicaid reimbursement rates generated by the "bed tax," but would become exempt from paying the tax.

Ms. Vogel asked if there are defined percentages of independent living, assisted living and nursing home beds for a facility to be considered a CCRC. Ms Roach stated there are not. She said that the CCRC statute does not prevent such conversions, nor does the “bed tax” statute, which is part of the Department of Health and Mental Hygiene (DHMH) statute. She explained that the Secretaries of Aging, Health and Mental Hygiene and Budget have consulted on the issue and that, while there was no statutory change in the 2015 session, the Joint Chairman’s Report mandates that DHMH and MDoA develop recommendations over the summer to address this “bed tax issue.” Ms. Jimenez asked if there were national standards on the issue and Ms. Roach said that there are not. Ms. Roach and Deputy Secretary Hull said that a range of approaches will be examined during the joint DHMH/MDoA discussions.

Status Report on Tentative Joint Commission/Local Commission Training and Discussion on Training Funding, Topics and Agenda: Deputy Secretary Hull said that funding for the training likely will come from a portion of a Maryland Access Point (MAP) grant. Ms. Vogel described the proposed training agenda, which will include two keynote addresses. She stated that the tentative keynote speakers are a senior researcher from AARP and Teja Rau, Chief Long Term Care and Supports, MDoA.

Topics for Balance of 2015 Meetings: Mr. Rosenthal asked for suggestions for topics for the remaining 2015 meetings. Mayor Harding said that he would arrange for a meeting speaker from the Maryland Municipal League. Other suggestions included inviting a representative of the State Insurance Administration to discuss long term care insurance and to devote a meeting to the topic of elder abuse and its prevention.

Adjournment: The meeting was adjourned at noon.

Minutes submitted by Rosanne B. Hanratty

