

- ~~(1) REQUIRE A NURSING HOME TO PROVIDE AN ACCEPTABLE PLAN OF CORRECTION OR SHOW CAUSE TO THE SATISFACTION OF THE DEPARTMENT WHY IT IS IMPOSSIBLE FOR THE NURSING HOME TO MEET THE REQUIREMENTS;~~
- ~~(2) SUSPENSION OF THE NURSING HOME LICENSE;~~
- ~~(3) REVOCATION OF THE NURSING HOME LICENSE;~~
- ~~(4) \$500 PER DAY FOR EACH DAY A VIOLATION CONTINUES; OR~~
- ~~(5) DECERTIFICATION.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That:

(a) It is the intent of the General Assembly that the Governor provide in the State budget for Fiscal Year 2002 and Fiscal Year 2003 additional funds to increase payments in the Nursing Service Cost Center of the Medicaid nursing home reimbursement formula as follows:

- (1) \$10 million in General Funds for Fiscal Year 2002; and
- (2) \$10 million in General Funds for Fiscal Year 2003.

(b) The funds provided in subsection (a) of this section shall be used to enable nursing homes to address the recommendations of the Task Force on Quality of Care in Nursing Homes to:

- (1) Increase hours of direct care to residents;
- (2) Increase nursing staff; and
- (3) Increase wages, fringe benefits, and other forms of compensation provided to direct care personnel.

(c) The additional funds may not be used to provide an increase in the profit allowed in the Nursing Service Cost Center.

(d) Expenditures by nursing homes shall be subject to audit and cost settlement by the Department of Health and Mental Hygiene.

SECTION 2. AND BE IT FURTHER ENACTED, That the Department of Health and Mental Hygiene shall reconvene the Medicaid Nursing Home Reimbursement Study Group. The Study Group shall:

(a) Review the existing reimbursement formula to ensure it reflects the current and planned requirements of the nursing home program under Medicaid and the care needs of the residents;

(b) Review the proposed funding appropriation for Fiscal Year 2002 and Fiscal Year 2003 and make recommendations for changes to the reimbursement formula to ensure that the intent of Section 1 of this Act is achieved; and