

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 575 (Delegate McConkey, *et al.*)
Health and Government Operations

**Maryland Medical Assistance Program - Redeterminations of Eligibility for
Program Recipients in Nursing Facilities**

This bill requires the Department of Health and Mental Hygiene (DHMH), by October 1, 2011, to develop and implement a streamlined process for the annual redetermination of Medicaid eligibility for recipients who require a nursing facility level of care. By December 1, 2011, DHMH must report to specified committees of the General Assembly on the development and implementation of the streamlined process.

The bill takes effect June 1, 2011.

Fiscal Summary

State Effect: DHMH can prepare and report on the required process with existing budgeted resources. Although implementation of a streamlined process likely has an operational and fiscal impact on DHMH and the Department of Human Resources (DHR), the departments are already planning to make changes. Thus, any fiscal impact cannot be attributed solely to the bill.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Medicaid provides coverage for long-term care services for individuals who meet certain financial and medical eligibility requirements. DHMH is responsible for administering and overseeing Medicaid and determines the eligibility

rules. DHR is responsible for management of the Client Automated Resource and Eligibility System (CARES), the computer system for all eligibility information, and the initial determination and annual redetermination of eligibility for most Medicaid programs, including long-term care.

Once an individual becomes eligible for Medicaid nursing facility services, he or she must undergo an annual redetermination process to verify if he or she still qualifies. DHR caseworkers currently use the same initial application for redetermination. In recent years, nursing facilities have reported significant delays in the completion of redeterminations, which result in lost revenues for nursing facilities.

In January 2011, DHMH and DHR submitted a long-term care business process analysis and reengineering work plan to address concerns repeatedly raised by the nursing facility industry and consumer advocates. The plan, much of which is based on the processes used in Virginia, includes the goal of streamlining the application and redetermination processes. Proposed action steps in the short term are changing the color of redetermination forms to help workers quickly identify and sort them, and various policy changes to address Supplemental Security Income (SSI) redeterminations. Long-term action steps include implementing a system-generated, pre-populated redetermination form for customer verification and investigating a potential two-year redetermination period for “low-risk” cases.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): LifeSpan Network, Department of Human Resources, Department of Health and Mental Hygiene, Department of Legislative Services

Fiscal Note History: First Reader - February 27, 2011
ncs/mwc

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