

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 832

(Senator Madaleno, *et al.*)

Finance

Rules and Executive Nominations

**Commission on the Long-Term Care Medical Assistance Program Eligibility
Determination Process**

This bill establishes a Commission on the Long-Term Care Medical Assistance Program Eligibility Determination Process. By December 31, 2015, the commission must report its findings and recommendations to the Governor and the General Assembly. The Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) must provide staff for the commission. DHMH must provide data to the commission on request to assist the commission in performing its duties.

The bill takes effect June 1, 2015, and terminates December 31, 2016.

Fiscal Summary

State Effect: Potential minimal increase in general fund expenditures for DHMH and DHR in FY 2016 to staff the commission and prepare the required report. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The commission includes one member of the Senate and one member of the House of Delegates. The Governor must designate the chair of the commission. A member of the commission may not receive compensation but is entitled to reimbursement for standard travel expenses.

The commission must (1) identify challenges experienced in the long-term care Medical Assistance Program eligibility determination process, including redeterminations; (2) review the State's policies and procedures for tracking and processing applications; (3) identify the average time required to determine eligibility; (4) identify the challenges experienced by providers as a result of delays in the eligibility determination process; (5) calculate the cost of consolidating the eligibility determination process into one State agency; (6) evaluate the efficacy of outsourcing the eligibility determination process to a third-party private vendor; (7) review and evaluate the Medical Assistance Program's computer system created by Computer Sciences Corporation; and (8) make recommendations on methods to streamline and improve the eligibility determination and payment process.

Current Law/Background: Medicaid provides health care coverage to children, pregnant women, elderly or disabled individuals, and indigent parents who pass certain income and asset tests. 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. DHMH staff determines eligibility for the Primary Adult Care program, home- and community-based services waiver programs, and the Maryland Children's Health Program.

Applications for the Medicaid program must be processed within 30 days or 60 days if a disability determination is necessary. Federal regulations require that Medicaid long-term care applications be processed within 45 days.

Chapters 613 and 614 of 2008 required DHMH and DHR to develop a plan to integrate the functions necessary for the determination of Medicaid eligibility for long-term care services. A plan was completed by DHMH and DHR, in consultation with LifeSpan Network and the Health Facilities Association of Maryland, and a report was submitted to the General Assembly in December 2008. The report presented the following recommendations: (1) adopt uniform forms; (2) eliminate the face-to-face interview; (3) centralize long-term care eligibility functions; (4) develop a new automated eligibility system; and (5) consider transferring direct control of all long-term care eligibility functions to DHMH once a new automated eligibility system is fully operational. New forms were implemented and the face-to-face interview requirement was eliminated.

In 2009, the State opened a Bureau of Long-Term Care Eligibility, which combines the local departments of social services offices of Anne Arundel, Baltimore, and Prince George's counties and Baltimore City. Though the bureau was intended to expedite eligibility cases, delays have continued and, to some extent, worsened.

In September 2011, DHMH and DHR submitted a [report](#) in response to the 2011 *Joint Chairmen's Report* on progress to streamline the process for long-term care eligibility determinations. The departments noted that they were still working to meet the federal standard of 45 days but had implemented a series of refinements in processes and policies, including (1) initiating or “pending” all annual redeterminations shortly after receipt to allow benefits to continue during the redetermination process and increasing cash flow for providers; (2) implementing new software to more quickly verify income, assets, and other factors to determine the likelihood that a case is Medicaid eligible to allow caseworkers to determine low-risk cases and approve them more quickly; (3) streamlining policy concerning the 60-month look-back period; and (4) simplifying applications, which are available online.

Additional Information

Prior Introductions: None.

Cross File: HB 1196 (Delegate Kelly, *et al.*) - Rules and Executive Nominations.

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

Fiscal Note History: First Reader - March 23, 2015
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