

Department of Legislative Services
Maryland General Assembly
2015 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 563

(Senator Peters, *et al.*)

Finance

Health and Government Operations

**Developmental Disabilities Administration and Maryland Medical Assistance
Program - Services - Military Families**

This bill requires the Developmental Disabilities Administration (DDA) and the Department of Health and Mental Hygiene (DHMH) to give priority to dependents of legal residents, under specified circumstances, for the provision of certain services, including those under the Medicaid Home- and Community-based Services waiver. DDA and DHMH must (1) allow a dependent of a “legal resident” who is eligible to receive services to remain eligible for the services even when the legal resident leaves the State due to military assignment, if the dependent is otherwise eligible for the services; (2) allow a dependent of a legal resident to remain on the waiting list for services while the legal resident is outside the State due to military assignment; and (3) reinstate services provided to a dependent of a legal resident, when the dependent returns to the State after leaving the State with the legal resident due to military assignment, if services are requested.

Fiscal Summary

State Effect: The requirements that a dependent remain eligible to receive services and that the dependent remain on the waiting list for services are not anticipated to increase expenditures. DDA and DHMH can handle maintenance of the waiting list with existing resources. However, DDA expenditures (56% general fund, 44% federal funds) and Medicaid expenditures (50% general fund, 50% federal funds) may increase, likely minimally, to reinstate services when a dependent returns to the State, as discussed below. Revenues are not affected beyond receipt of additional federal funds.

Local Effect: Potential minimal impact for local health departments that provide services on behalf of DDA and/or DHMH. They may see an increase in patient population as a result of the bill’s provisions.

Small Business Effect: Potential minimal impact for small businesses licensed to provide services by DDA and/or DHMH. They may see an increase in patient population as a result of the bill's provisions.

Analysis

Bill Summary: The bill defines “legal resident” as an individual who maintains a permanent home in the State, or lists the State as their home of record, and as an individual who, when absent due to military obligation, intends to return to the State.

Current Law/Background:

Maryland Programs

DDA and Medicaid offer a variety of services to residents of the State, and the work of the two programs are often interrelated or overlapping. One such example is the Medicaid Home- and Community-Based Services waiver program, which is authorized under § 1915(c) of the federal Social Security Act. The program generally permits a state to furnish an array of home- and community-based services that assist Medicaid beneficiaries to live in the community and avoid institutionalization.

DDA administers the Community Pathways waiver. Community Pathways provides services and supports to individuals with developmental disabilities, of any age, living in the community. Services include resource coordination, residential habilitation, day habilitation, supported employment, family and individual support services, community-supported living arrangements, assistive technology and adaptive equipment, employment discovery and customization, community learning services, environmental modifications, respite care, behavioral support services, live-in caregiver rent, medical day care, and transition services. Individuals can receive one or more of these services depending on their specific needs.

Eligibility for Community Pathways is determined based on the applicant's income and assets only and not the income and assets of the family. An individual is eligible if he or she has been determined to have full eligibility status based on DDA's supports intensity scale (SIS), which measures support needs in the areas of home living, community living, lifelong learning, employment, health and safety, social activities, and protection and advocacy. An individual who scores lower on the SIS may be eligible for support services only, rather than the full package of waiver services. If the individual is found to be eligible for DDA services, the applicant is placed in a priority category. The priority category determines if, and when, the applicant actually receives services. Community Pathways currently serves 9,000 adults and children with developmental disabilities.

Medicaid operates the Model Waiver for Disabled Children, which allows medically fragile individuals who enroll in the program before reaching the age of 22, who would otherwise be hospitalized, to receive services designed to allow them to continue to live at home with their families. Individuals must be certified as needing either hospital or nursing facility level of care to receive medically necessary and appropriate services in the community.

To be eligible for the Model Waiver, (1) admission must be completed before the individual becomes 22 years old; (2) the individual must meet the definition of a disabled child at the time application for Model Waiver services is made; (3) the individual must be certified as in need of a hospital or nursing facility level of care as determined by a State-contracted reviewer using information supplied by the referring physician; and (4) the individual's medically necessary and appropriate community-based medical services must be cost neutral. Under the Model Waiver, the parents' income and assets are waived during the financial eligibility process. If the individual is found to be eligible for waiver services, the applicant is placed in a priority category. The priority category determines if, and when, the applicant actually receives services. The maximum number of individuals who may be enrolled in the Model Waiver is 200.

Other services offered by DDA include behavioral support services, individual support services, and low-intensity support services. Other services offered by Medicaid include waiver programs for individuals with developmental disabilities, disabled children, older adults, physically disabled adults, and children with autism spectrum disorder. No special preference is provided to dependents of members of the military.

Special Preference for Dependents of Members of the Military in Other States

In 2014, Florida passed House Bill 5003 to allow an individual who meets eligibility requirements to receive home- and community-based services in that state if the individual's parent or legal guardian is an active-duty military service member and, at the time of the service member's transfer to Florida, the individual was receiving home- and community-based services in another state. This statutory change is in place for one year and expires July 1, 2015. As of March 2015, Florida has processed six requests for enrollment from military families under this temporary statutory provision. Out of the six requests for enrollment, four military families have enrolled and two families are in the process of enrollment. Military families are encouraged to apply for the waiver program prior to relocating to Florida, but they cannot be eligible to receive services until they are a Florida resident. Senate Bill 380 of 2015 would make permanent the changes.

Illinois law allows active-duty service members to use their state of legal residence to maintain their priority for the provision of services. House Bill 5697 of 2014 allows a dependent who is a legal resident of the state and had previously been determined to be

eligible for developmental disability services, including waiver services, to retain eligibility for those services as long as he or she remains a legal resident of the state. Eligibility is retained regardless of whether the dependent leaves the state due to the military service member's military assignment outside the state, as long as he or she is otherwise eligible for such services. The law also requires a dependent who resides out of state to be placed or remain on the waiting list for developmental disabilities services even if the dependent leaves the state due to the military service member's military assignment outside the state. A dependent who received services and who leaves the state due to the military service member's military assignment outside the state must also be allowed to resume services on return if the dependent remains eligible.

State Expenditures: DDA expenditures (56% general fund, 44% federal funds) and Medicaid expenditures (50% general fund, 50% federal funds) increase negligibly, assuming that DDA and Medicaid follow the policy of displacing a current recipient of services to accommodate a dependent of a legal resident who returns to the State following military assignment and who is entitled to have services reinstated. However, if DDA and Medicaid elect to provide services to a qualified dependent under the bill *in addition* to the current enrolled population, expenditures increase – potentially significantly.

DDA advises that the total population across its waiver programs varies significantly and that placement in services depends on an individual's assessed needs. As an example of a particular service offered, DDA serves approximately 7,700 individuals in day programs, at an average annual cost per client of approximately \$19,700. The average waiting time for an individual requesting services other than residential services ranges from approximately 8 to 45 months, depending on the individual's level of need. Medicaid advises that one specific program, the Community Options Waiver Program, includes approximately 4,000 individuals in a given month. The waiting list for services under the program currently includes approximately 30,000 individuals. There are an estimated 500 to 600 openings per year, and current applications are from individuals who were placed on the waiting list in 2009. Total expenditures for the program are approximately \$160 million per year. DDA and Medicaid were unable to estimate the number of individuals who lose services as a result of relocation. The number of eligible dependents of military residents currently on the waiting list or receiving services is also unknown.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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