
By: **Senators Teitelbaum, McFadden, and Forehand**

Introduced and read first time: February 6, 1998

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 9, 1998

CHAPTER _____

1 AN ACT concerning

2 **Home- and Community-Based Services for ~~Persons with Alzheimer's~~**
3 **~~Disease and Related Disorders~~ Adults with Functional Disabilities -**
4 **Medicaid Waiver**

5 ~~FOR the purpose of requiring the Department of Health and Mental Hygiene to apply~~
6 ~~to the federal Health Care Financing Administration for a certain home- and~~
7 ~~community based services waiver to provide certain services to certain~~
8 ~~individuals with Alzheimer's disease and related disorders; requiring the~~
9 ~~Department to conduct a certain study and report the results of the study to the~~
10 ~~General Assembly; and generally relating to the provision of certain services to~~
11 ~~certain individuals with Alzheimer's disease and related disorders.~~

12 FOR the purpose of requiring the Department of Health and Mental Hygiene to
13 investigate the development of integrated care systems and the feasibility and
14 desirability of applying to the federal Health Care Financing Administration for
15 a waiver to provide certain home- and community-based services to certain
16 adults with functional disabilities, including individuals with Alzheimer's
17 disease and related disorders; requiring the Department to conduct a certain
18 study and report the results of the study to the General Assembly; and generally
19 relating to studying the provision of certain services to certain adults with
20 functional disabilities, including individuals with Alzheimer's disease and
21 related disorders.

22 BY repealing and reenacting, without amendments,
23 Article - Health - General
24 Section 1-101(a) and (c)
25 Annotated Code of Maryland
26 (1994 Replacement Volume and 1997 Supplement)

1 BY adding to
2 Article - Health - General
3 Section 15-130
4 Annotated Code of Maryland
5 (1994 Replacement Volume and 1997 Supplement)

6 Preamble

7 WHEREAS, Approximately 4 million Americans - 1 in 10 persons over age 65
8 and nearly half of those over age 85, as well as a small percentage of people in their
9 40's and 50's - have Alzheimer's disease; and

10 WHEREAS, In a 1993 national survey 19 million Americans say they have a
11 family member with Alzheimer's disease, and 37 million know someone with
12 Alzheimer's; and

13 WHEREAS, 70,000 Maryland residents have Alzheimer's disease or a related
14 disorder; and

15 WHEREAS, In the United States, approximately \$100 billion a year is spent on
16 care for Alzheimer's disease and neither Medicare nor private health insurance covers
17 the long-term care most persons with Alzheimer's need; and

18 WHEREAS, 7 of 10 persons with Alzheimer's disease live at home, more than
19 75% of home care is provided by family and friends, and the remainder is paid care
20 costing an average of \$12,500 per year, with families paying almost all of the cost
21 out-of-pocket; and

22 WHEREAS, Nationally, half of all nursing home patients suffer from
23 Alzheimer's disease or a related disorder, and the average cost of care in a nursing
24 home is \$42,000 per year; and

25 WHEREAS, In Maryland, nursing home expenditures account for 89% of
26 Medicaid long-term care spending and 27% of the total Medicaid provider
27 reimbursements budgeted for Fiscal Year 1999; and

28 WHEREAS, The long-term care system should accommodate the preferences of
29 consumers who prefer to remain independent and in their own homes and the
30 community for as long as possible; and

31 WHEREAS, States such as Wisconsin, Oregon, and Colorado that have made a
32 concerted commitment to home- and community-based care have reduced projected
33 nursing home use between 18% and 39% and have saved 9% to 23% in projected
34 long-term care costs; and

35 WHEREAS, The State-funded respite program of the Department of Human
36 Resources, established by the General Assembly in 1988, served over 700 functionally
37 disabled individuals in 1997, yet still has over 200 individuals on a waiting list; now,
38 therefore,

1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article - Health - General**

4 1-101.

5 (a) In this article the following words have the meanings indicated.

6 (c) "Department" means the Department of Health and Mental Hygiene.

7 15-130.

8 (A) ~~THE DEPARTMENT SHALL APPLY TO THE HEALTH CARE FINANCING~~
9 ~~ADMINISTRATION OF THE FEDERAL DEPARTMENT OF HEALTH AND HUMAN~~
10 ~~SERVICES FOR A HOME- AND COMMUNITY-BASED SERVICES WAIVER UNDER §~~
11 ~~1915(C) OF THE FEDERAL SOCIAL SECURITY ACT (42 U.S.C. § 1396(N)) IN ORDER TO~~
12 ~~RECEIVE INVESTIGATE DEVELOPMENT OF INTEGRATED CARE SYSTEMS AND THE~~
13 ~~FEASIBILITY AND DESIRABILITY OF APPLYING FOR A HOME- AND~~
14 ~~COMMUNITY-BASED SERVICES WAIVER IN ORDER TO MAXIMIZE FEDERAL~~
15 ~~MATCHING FUNDS FOR THE PROVISION OF SERVICES TO INDIVIDUALS~~ ADULTS WHO:

16 (1) HAVE FUNCTIONAL DISABILITIES, INCLUDING ALZHEIMER'S
17 DISEASE AND RELATED DISORDERS;

18 ~~(2) ARE AGE 60 OR OLDER;~~

19 ~~(3) (2) HAVE FAMILY INCOME NOT GREATER THAN 200% OF THE~~
20 ~~FEDERAL POVERTY LEVEL; AND~~

21 ~~(4) (3) WOULD OTHERWISE REQUIRE NURSING HOME~~
22 ~~INSTITUTIONALIZATION.~~

23 (B) THE SERVICES COVERED UNDER THE WAIVER UNDER THIS SECTION
24 ~~SHALL~~ MAY INCLUDE:

25 (1) ROUTINE AND EMERGENCY RESPITE CARE;

26 (2) ADULT DAY CARE;

27 (3) PERSONAL CARE;

28 (4) CASE MANAGEMENT; AND

29 (5) HOMEMAKER SERVICES.

30 (C) THE DEPARTMENT MAY PLACE A REASONABLE LIMIT ON THE NUMBER OF
31 INDIVIDUALS OR ON THE GEOGRAPHIC AREA OF THE STATE INCLUDED IN THE
32 WAIVER UNDER THIS SECTION.

33 SECTION 2. AND BE IT FURTHER ENACTED, That ~~the~~;

1 (a) The Department of Health and Mental Hygiene, in consultation with the
2 Alzheimer's Association, the Department of Human Resources, and other interested
3 parties, shall conduct a study to determine the number and characteristics of adults
4 with functional disabilities, including individuals with Alzheimer's disease and
5 related disorders who ~~might~~ would qualify for and benefit most from the Medicaid
6 waiver under Section 1 of this Act and for whom the waiver would be most cost
7 effective.

8 (b) As part of the study, the Department shall work with the Department of
9 Human Resources to determine whether new general funds would be necessary for
10 the waiver and in what amount.

11 (c) This study shall take into consideration the Department's plans for
12 improving long-term care service delivery and payment mechanisms under a
13 Medicaid managed care approach.

14 (d) The Department, subject to § 2-1246 of the State Government Article,
15 shall report the results of its study to the Senate Finance Committee, the House
16 Environmental Matters Committee, and the General Assembly by December 1, 1998.

17 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
18 effect July 1, 1998.