

**Department of Legislative Services**  
 Maryland General Assembly  
 1999 Session

**FISCAL NOTE**  
**Revised**

Senate Bill 721 (Senators Van Hollen and Hollinger)

Finance

**Department of Health and Mental Hygiene - Assisted Living Programs - Report on  
 Level of Care 3 Plus Waivers**

This bill requires the Department of Health and Mental Hygiene (DHMH) to submit a report to the Governor and General Assembly by December 15 of each year on its experience with “level of care 3 plus waivers” for the preceding year. The report must include (1) the total number of such waivers requested and granted; (2) the duration of each waiver granted and average duration of all waivers granted; (3) the total number of residents who were granted a waiver and remained at their assisted living facility under that waiver; and (4) the total number of residents who were granted a waiver and were subsequently transferred. The bill sunsets on September 30, 2004.

**Fiscal Summary**

**State Effect:** General fund expenditures increase by \$27,200 in FY 2000. Future year expenditures, if necessary, increase with annualization and inflation. Revenues would not be affected.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditures	27,200	29,700	30,300	31,000	31,500
Net Effect	(\$27,200)	(\$29,700)	(\$30,300)	(\$31,000)	(\$31,500)

*Note: ( ) = decrease; GF = general funds; FF = federal funds; SF = special funds; - =indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** Minimal.

**Fiscal Analysis**

**Background:** Level 3 is the highest level of care for which an assisted living facility may be licensed. An assisted living facility with a resident requiring more intensive care than that provided under level 3 must request a waiver from DHMH.

**State Expenditures:** DHMH advises that general fund expenditures could increase by an estimated \$31,153 in fiscal 2000, which accounts for the bill's October 1, 1999 effective date, for one permanent administrative specialist position to collect data, follow-up on individual cases, and conduct the annual study of level of care 3 plus waivers. DHMH has established an assisted living waiver database but has not anticipated follow-up for individual cases as required by the bill.

The Department of Legislative Services advises, however, that the new administrative specialist should be hired on a contractual basis. Because the assisted living regulations just went into effect on January 1, 1999, there is little data upon which to base the number of waivers that would need to be monitored under the bill's requirements. Further, the Department of Aging (DOA) is responsible under a Memorandum of Understanding with DHMH for monitoring assisted living programs with 4 to 16 residents. DOA staff will be assisting DHMH in tracking the level of care waivers for smaller assisted living facilities. For these reasons, general fund expenditures would only increase by an estimated \$27,180 in fiscal 2000. This estimate includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses.

Contractual Salaries and Fringe Benefits	\$21,495
Other Operating Expenses	<u>5,685</u>
<b>Total FY 2000 State Expenditures</b>	<b>\$27,180</b>

Future year expenditures, if necessary, reflect (1) full salaries with 2.0% annual increases; and (2) 1% annual increases in ongoing operating expenses.

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**Information Source(s):** Department of Health and Mental Hygiene (Licensing and Certification Administration), Department of Aging, Department of Human Resources, Department of Legislative Services

**Fiscal Note History:** First Reader - March 15, 1999  
dmm/jr Revised - Senate Third Reader - March 30, 1999

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