

Department of Legislative Services
Maryland General Assembly
2002 Session

FISCAL NOTE

House Bill 1437 (Delegate Rosenberg)
Appropriations

Individuals with Disabilities - Medicaid Waiver - Funding

This bill provides that all general funds appropriated in connection with the Medicaid waiver for home- and community-based services for adult individuals with disabilities that remain unexpended by the Department of Human Resources (DHR) on June 30, 2002 may not revert to the general fund and must remain available for expenditure in the subsequent fiscal year.

The bill takes effect June 1, 2002.

Fiscal Summary

State Effect: The bill would permit DHR to retain \$736,100 (general funds) of its FY 2002 appropriation and make it available for expenditure in FY 2003.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: General funds not expended in fiscal 2002 for the home- and community-based services for adults with disabilities will revert to the general fund on June 30, 2002.

Background: In April 2001, DHR began serving individuals with disabilities through the "Living at Home: Maryland Community Choices" attendant care Medicaid waiver (Community Choices). This program services individuals with disabilities between the

ages of 21 and 59 who currently reside in or are being diverted from nursing home care. Services are designed to serve as an alternative to nursing home placements and include case management, attendant care, assistive technology, environmental adaptations, personal emergency response systems, and other services. Chapter 495 of 2001 raised the eligibility limit to individuals with incomes at or below 300% of Supplemental Security Income (SSI).

Chapter 722 of 2001 provided that all general funds appropriated in connection with the Community Choices waiver that remained unexpended by DHR on June 30, 2001 could not revert to the general fund and had to remain available for expenditure in fiscal 2002. Approximately \$800,000 general funds remained unexpended and were available for expenditures in fiscal 2002.

The fiscal 2002 appropriation for the Community Choices waiver program is \$9.1 million (\$4.55 million federal funds, \$4.55 million general funds), which took into account a phase-in of 300 enrollees. In addition, approximately \$1.6 million (\$800,000 federal funds, \$800,000 general funds) was rolled forward from fiscal 2001 to 2002. To date, however, the program has only expended \$1.2 million of the \$10.7 million total available funds in fiscal 2002.

State Fiscal Effect: The bill permits DHR to retain \$736,114 (general funds) of its fiscal 2002 appropriation and make it available for expenditure in fiscal 2003. DHR advises it will spend \$9,227,723 of its fiscal 2002 budget appropriation. Accordingly, \$1,472,227 would remain unexpended, of which \$736,114 is general funds. Under current law, any unspent general funds would revert to the general fund on June 30, 2002. The bill provides that these moneys do not revert and must remain available for expenditure in fiscal 2003.

Additional Information

Prior Introductions: A similar bill, HB 1331, was introduced in the 2001 session. It was amended to include certain Department of Health and Mental Hygiene unexpended general funds. The amended bill was enacted as Chapter 722 of 2001.

Cross File: None.

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

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mld/jr

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