

Department of Legislative Services
 Maryland General Assembly
 2003 Session

FISCAL AND POLICY NOTE

Senate Bill 690
 Finance

(Senator Klausmeier, *et al.*)

Maryland Quality Home Care Services Commission

This bill establishes an 11-member Maryland Quality Home Care Services Commission to: (1) improve the quality of personal home care services through regulation, increased accountability, and enhanced consumer ability to obtain home care services; (2) encourage stability in the individual provider workforce through collective bargaining and training opportunities; and (3) recruit for, train, stabilize, and improve the provider workforce.

Fiscal Summary

State Effect: General fund expenditures could increase by at least \$190,400 in FY 2004 to fund the commission. General fund expenditures could increase significantly more if, through collective bargaining, providers' rates increased. Revenues would not be affected.

(in dollars)	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	190,400	244,900	253,500	262,800	272,600
Net Effect	(\$190,400)	(\$244,900)	(\$253,500)	(\$262,800)	(\$272,600)

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

Local Effect: Potential significant increase in expenditures for local health departments that may have to pay higher rates for providers if rates are increased through collective bargaining.

Small Business Effect: Potential significant increase in revenues for providers whose rates are increased as a result of collective bargaining.

Analysis

Bill Summary: Personal home care services are personal or respite care services provided in a consumer's home through the Medical Assistance Personal Care Program, the Community Attendant Services and Support Program, the Waiver for Older Adults, the Attendant Care Program, and the Senior Care Program. It does not include Medicaid or Medicare home health care, assisted living, a skilled nursing facility, or any other facility-based services.

The commission must: (1) establish qualifications and requirements for an individual provider that comply with minimum requirements under current law and require confirmation that an individual provider is not listed on any long-term care abuse and neglect registry; (2) provide training for individual providers and consumers; (3) establish or use a referral list of individual providers; (4) provide routine, emergency, and respite referrals of an individual provider to a consumer; and (5) coordinate with an agency to provide personal home care services.

The commission would be considered the employer of an individual provider for the purposes of collective bargaining. An increase in provider wages or benefits negotiated or agreed to by the commission could not take effect unless approved by the General Assembly. The commission, in consultation with the Department of Health and Mental Hygiene (DHMH) and the Governor's Office for Individuals with Disabilities, must submit a report to the Governor and the General Assembly evaluating the commission's progress by October 1, 2005.

Current Law:

Medical Assistance Personal Care Program: This DHMH program helps persons with a chronic illness, medical condition, or disability to remain in their homes. The types of services provided include assistance with walking, toileting, bathing, dressing, and preparing meals and eating.

Community Attendant Services and Support Program: The Department of Human Resources (DHR), in collaboration with DHMH, administer a comprehensive program of home and community attendant services and supports to an individual with disabilities who will be discharged or diverted from a nursing facility with the help of the assistance through a Medicaid home and community services based waiver.

Waiver for Older Adults: DHMH and the Maryland Department of Aging implemented the Senior Assisted Housing Waiver in 1993. The waiver gives eligible low-income adults a choice of receiving long-term care services in a community-based setting, rather than in a nursing facility. In 1999 the waiver was expanded to cover services in all types

of licensed assisted living facilities, as well as supportive services for individuals living at home. The expanded waiver, renamed the Waiver for Older Adults, was implemented in April 2001.

Attendant Care Program: This DHR program reimburses consumers with chronic or severe physical disabilities who require attendant services. Assistance is available for consumers currently employed, seeking employment, enrolled in a postsecondary or higher education institution, on a waiting list for a nursing home or similar institution licensed to provide chronic or intermediate care, or institutionalized in a nursing home or similar institution licensed to provide chronic or intermediate care but medically able to be discharged with the appropriate supports.

Senior Care Program: The Department of Aging program provides case management and funds for services for people 65 or older who may be at risk of nursing home placement. Services may include personal care, chore service, medications, medical supplies, adult day care, respite care, home delivered meals, transportation, and emergency response systems.

Background: The total number of providers and their employees (and total salaries) covered by this bill was not available from DHMH, the Department of Aging, or DHR at the time of this analysis. On August 2, 2001, a nine-member Home Care Commission was established in Oregon as a result of legislation implementing Ballot Measure 99, an amendment to the Oregon Constitution voters adopted November 2000. The commission is charged with: providing training for home care workers and their clients; establishing home care worker qualifications; establishing a registry of qualified home care workers; and acting as the employer of record of home care workers for collective bargaining purposes. A fiscal analysis by the Oregon Department of Administrative Services estimated that implementing the commission would cost \$300,000 in general fund expenditures and assumed the state could receive matching federal funds from Medicaid.

State Fiscal Effect: General fund expenditures could increase by an estimated \$190,429 in fiscal 2004, which accounts for the bill's October 1, 2003 effective date. This estimate reflects the cost of hiring an executive director and an administrative specialist to staff the commission. It includes salaries, fringe benefits, one-time start-up costs, travel expenses for commission members, contractual training expenses, and ongoing operating expenses.

Salaries and Fringe Benefits	\$92,839
Contractual Training Costs	75,000
Operating Expenses	<u>22,590</u>
Total FY 2004 State Expenditures	\$190,429

Future year expenditures reflect: (1) full salaries with 4.5% annual increases and 3% employee turnover; (2) 1% annual increases in ongoing operating expenses; and (3) contractual training costs of \$100,000 (annualized).

General fund expenditures could increase significantly more if, through collective bargaining, the commission recommends and the General Assembly approves higher rates for individual providers. Prior Department of Legislative Services research estimates that, on average, collective bargaining increases costs associated with salaries and fringe benefits by 1% to 1.5%.

Additional Information

Prior Introductions: None.

Cross File: HB 830 (Delegate Hubbard) – Health and Government Operations.

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

Fiscal Note History: First Reader - March 11, 2003
ncs/jr

Analysis by: Lisa A. Daigle

Direct Inquiries to:
(410) 946-5510
(301) 970-5510