

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE
Revised

Senate Bill 477

(Senator Brinkley, *et al.*)

Finance

Judiciary

Medically Fragile Children - Study

This bill requires the Governor's Office for Individuals with Disabilities (OID), or any successor organization, with the assistance of the Department of Human Resources (DHR) and the Department of Health and Mental Hygiene (DHMH), to study the placement of medically fragile children in Maryland. OID must report its findings and recommendations by December 1, 2004 to the Governor, the Senate Finance Committee, and the House Judiciary Committee.

The bill takes effect July 1, 2004.

Fiscal Summary

State Effect: The bill's requirements could be handled with existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: A medically fragile child is a child who: (1) depends on mechanical ventilation for at least part of each day; (2) requires prolonged intravenous administration of nutritional substances or drugs; (3) depends on other device-based respiratory or nutritional support; or (4) depends on other medical devices that compensate for bodily functions and requires daily or near daily nursing care.

Local departments of social services determine whether a subsidy is necessary to assure a child's adoption because of the child's extreme circumstances, such as: physical or mental disability; emotional disturbance; at high risk of physical or mental disease; age; sibling relationship; and racial or ethnic factors.

Each local department of social services must establish and administer an adoption subsidy program for eligible children. Payments and services under the program are funded by appropriations to the local department for the maintenance of children in foster care and money available to a local department from other sources. Medical assistance and medical care under the program are funded by: (1) DHMH and DHR savings for the fiscal year attributable to these adoptions; and (2) DHR appropriations for the adoption subsidy program.

A person who is approved by a child placement agency as an appropriate adoptive parent and who seeks to adopt an eligible child is eligible to receive the subsidy on the child's behalf regardless of the person's income or other eligibility factors. The subsidy cannot be discontinued solely because the adoptive parent moves out of State.

Before a final adoption decree is passed, the local department of social services and the prospective adoptive parent must make a written agreement about the subsidy amount. A subsidy may begin either at the time of placement or at an appropriate time after the adoption decree passes. The subsidy is determined by the child's needs because of the child's special circumstances and the availability of other resources to meet the child's needs. The subsidy must be in an amount that is not more than: (1) the allowable amount for a child in foster family care in the State, or if placement is in another state, the allowable amount for a child under foster care in that state, whichever is more; (2) \$2,000 per month for a medically fragile child living in a treatment foster care home; or (3) if the subsidy is for a special service, a reasonable fee for that service.

If the subsidy does not terminate in the first year after the final adoption decree passes, the subsidy is subject to annual reapplication, reevaluation, and reapproval by a local department of social services. A subsidy agreement must include a notice of the annual reapplication requirement.

Background: DHR estimates that there are 476 medically fragile children in treatment foster care. DHR local departments pay an average of \$5,055 per month per child to a private agency for treatment foster care services, which then pays a portion of that to the foster parent to maintain the child in the home. The remainder is used by the private agency to provide casework services, office space, and other administrative overhead costs needed to run the treatment foster care program. Title IV-E matches a maximum of \$1,800 per child. The average monthly amount for treatment foster care is higher than

the \$2,000 set in statute because many of those children receive additional funds for services based on need.

Additionally, DHR does not provide a treatment foster care subsidy once the person reaches the age of 21. Of the 476 medically fragile children in treatment foster care, DHR reports that 34 will reach or exceed the age of 21 within the next five years. The age range is: 10 people age 16; 9 people age 17; 8 people age 18; 4 people age 19; and 3 people age 20. After these individuals are no longer on the DHR treatment foster caseload, they may be eligible for residential services through DHMH.

The monthly costs for services provided by DHMH for medically fragile adults is significant. For example, costs for treating medically fragile adults at the Western Maryland Hospital Center, a specialty hospital and comprehensive care facility, for fiscal 2005 is estimated to cost \$176,814, or \$14,735 per month, per individual receiving regular chronic hospital care.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Department of Health and Mental Hygiene, Governor's Office (Office for Individuals with Disabilities), Department of Legislative Services

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l/hlb Revised - Senate Third Reader - March 29, 2004

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