

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE
Revised

House Bill 970

(Delegate Hubbard, *et al.*)

Health and Government Operations

Finance

Rosewood Center - Plan for Services to Residents

This bill requires the Department of Health and Mental Hygiene (DHMH) to develop a plan for providing services to Rosewood Center residents in the most integrated settings appropriate to their needs. DHMH must report on the plan to the Governor and specified legislative committees by December 31, 2007.

The bill takes effect June 1, 2007.

Fiscal Summary

State Effect: Existing DHMH staff could develop the plan and write the report. Existing Maryland Department of Planning staff could assist DHMH staff regarding the discussion of alternative uses for the Rosewood Center property. DHMH general fund and federal fund expenditures could increase significantly depending on the plan that is developed and how it is implemented.

Local Effect: None.

Small Business Effect: None for the plan's development. However, depending on the plan that is developed and how it is implemented, small businesses that provide community services could gain additional clients and revenue.

Analysis

Bill Summary: Based on the assessment, the plan must recommend for each resident

- services in the most appropriate integrated settings;
- the cost of providing those services and settings; and
- a timetable for making the transition.

Recommendations for court-committed residents must be identified separately from residents who are not court-committed.

If institutional settings are recommended for any resident in the resident's written plan of habilitation, DHMH's plan must discuss ways to address those recommendations.

DHMH's plan also must include recommendations for permanent State employees working at the Rosewood Center.

In conjunction with the Maryland Department of Planning consistent with DHMH's Phase II Facility Review issued January 2007, the plan must discuss alternative uses for the Rosewood Center property, considering the need for open space in the area and involving local residents in determining the property's most appropriate use.

The plan must identify

- the total cost of implementing the recommendations;
- potential funding sources to support the total cost;
- any implementation obstacles; and
- a proposed implementation schedule.

Current Law: It is the State's policy to support and provide resources to operate community services to sustain individuals with developmental disabilities in the community, rather than in institutions. It also is the State's policy to require DDA to designate sufficient resources to foster and strengthen a permanent comprehensive system of community programming for individuals with developmental disabilities as an alternative to institutional care.

A developmental disability is a condition attributable to a mental or physical impairment that results in substantial functional limitations in major life activities and which is likely to continue indefinitely. Examples include autism, blindness, cerebral palsy, deafness, epilepsy, mental retardation, and multiple sclerosis.

DDA provides direct services to these individuals in four State residential centers and through funding of a coordinated service delivery system that supports the integration of these individuals into the community.

The emphasis on community placement has been reinforced by the Supreme Court's ruling on *L.C. v. Olmstead* (119 S.Ct. 2176). The court ruled that, according to the

Americans with Disabilities Act, no person may be required to live in an institution if able to live in the community with appropriate support. DDA accelerated the process of deinstitutionalization in response to the court's ruling, though the administration had been moving individuals from the State residential centers to the community for nearly 20 years.

Statute requires residential and day programs serving individuals with developmental disabilities to prepare a written plan of habilitation for each individual and update it each year.

Each unit of State government must notify the Maryland Department of Planning of any real property in excess of the needs of the unit or any substantial change to any real property owned by the State. For any identified real property, the department must study the proper disposition of the property; determine whether any local government or unit of State government is interested in the property; and make an appropriate recommendation to the using unit of State government and to the Board of Public Works.

Background: The Rosewood Center in Owings Mills has an average daily population of 195 residents. The Governor's proposed fiscal 2008 budget includes \$42.4 million for the center.

Money Follows the Individual

The federal Deficit Reduction Act of 2005 created the Money Follows the Person demonstration project. Through the demonstration project, states will receive \$1.75 billion over five years, beginning January 1, 2007, to provide long-term care services to individuals in their home or community. States that receive funding will get an enhanced federal match for the first 12 months of services for each individual who moves from an institution into a community-based setting. Individuals eligible to receive the home- and community-based services must receive Medicaid benefits and must have lived in a hospital, nursing facility, or intermediate care facility for people with mental retardation for at least six months.

In January 2007, the Centers for Medicare and Medicaid Services (CMS) awarded Maryland an initial \$1.0 million Money Follows the Person grant. Maryland's five-year funding commitment from CMS is \$67.2 million. Federal matching funds will be 75% for the first fiscal year, and then will be reduced to 50% in future years. These funds are intended to move individuals out of institutional settings, including moving up to 250 developmentally disabled individuals from State residential centers into community placements.

Sixteen other states received grants in January and a five-year funding commitment from CMS: Arkansas, California, Connecticut, Iowa, Indiana, Michigan, Missouri, Nebraska, New Hampshire, New York, Ohio, Oklahoma, South Carolina, Texas, Washington, and Wisconsin.

Additional Information

Prior Introductions: HB 1079 of 2004 would have required DHMH to develop a plan to close the Rosewood Center and transfer all residents to community-based services appropriate to their needs and expressed wishes. The bill had a hearing in the House Health and Government Operations Committee but no further action was taken.

Cross File: None.

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

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