

Department of Legislative Services

Maryland General Assembly

2007 Session

FISCAL AND POLICY NOTE

Revised

House Bill 325

(Delegate Hubbard, *et al.*)

Health and Government Operations

Finance

Department of Health and Mental Hygiene - Money Follows the Person Grant - Report

This bill requires the Department of Health and Mental Hygiene (DHMH) to report on the status of the State's Money Follows the Person grant to specified legislative committees by January 1 of each year. The report must include • an update on grant communications between DHMH and the Centers for Medicare and Medicaid Services (CMS); • information on CMS grant funding; • the number of individuals moved out of institutional settings under the grant, by type of institution; and • any DHMH plans or policies to move individuals out of institutional settings.

The bill takes effect July 1, 2007 and terminates June 30, 2013.

Fiscal Summary

State Effect: None. The report could be prepared with existing resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Each individual with a developmental disability receiving residential or day habilitation services from a DHMH-licensed provider must have a written plan of habilitation that meets federal standards. Staff must reevaluate the plan's effectiveness and adequacy at least once annually, consulting with the individual with the developmental disability and any person authorized to act on that person's behalf. The

plan must be revised as needed. At least once annually, DHMH's Developmental Disabilities Administration must review the licensee's execution of the plan and compliance with DHMH rules, regulations, and standards.

Background: There are four State residential centers that care for individuals with developmental disabilities, such as autism, blindness, cerebral palsy, deafness, epilepsy, mental retardation, and multiple sclerosis.

As of November 30, 2006, there were 366 individuals with developmental disabilities living in State residential centers: 201 in Rosewood Center, 97 in Holly Center, 48 in Potomac Center, and 20 in Joseph D. Brandenburg Center. Of the 201 individuals in Rosewood, 58 were forensic clients (individuals who are criminals).

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, 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. For the first fiscal year, federal matching funds will be 75% 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 also received grants in January and received 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: None.

Cross File: SB 302 (Senator Kelley, *et al.*) – Finance.

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

Fiscal Note History: First Reader - February 15, 2007
ncs/jr Revised - House Third Reader - March 27, 2007

Analysis by: Lisa A. Daigle

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