

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

Senate Bill 665
Finance

(Senator Colburn)

Compensation Program for Family Member Caretakers

This bill establishes a Compensation Program for Family Member Caretakers in the Department of Health and Mental Hygiene to provide compensation and health insurance benefits for individuals who are unable to work outside the home due to the health needs of an immediate family member.

Fiscal Summary

State Effect: DHMH general fund expenditures could increase by a potentially significant amount beginning in FY 2009 to implement the program. The increase cannot be reliably estimated at this time. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: To be eligible for the program, an individual must have been out of work for five or more years providing daily personal care to an immediate family member and meet any other criteria established by DHMH. DHMH may take into account the severity of the immediate family member's infirmity or limitation and the level of care provided in determining whether an individual is eligible for the program.

Subject to the limitations of the State budget, the program must provide compensation and health insurance to eligible individuals. DHMH must calculate the level of compensation on a sliding scale based on the eligible individual's income and assets.

DHMH may determine whether an individual should receive health insurance benefits based on whether the individual has health insurance benefits or access to health insurance through either a family member or through a local, State, or federal program.

DHMH may adopt regulations to implement the bill and must annually report to the Governor and General Assembly on or before December 1 on the results of the program.

Current Law: Chapter 224 of 2006 established the Family Caregiver Assistance Program within the Department of Aging. Under the program, a maximum grant of \$500 per year can be provided to eligible individuals who provide long-term care to certain individuals. Grants may be used to defray the cost of goods and services required to provide long-term care, including durable medical equipment, medical bills, medical supplies, prescription or over-the-counter medications, home repairs or modifications, and respite care.

Eligible individuals must • reside with the individual receiving the care; • provide care for an individual who has been certified as requiring long-term care for at least 180 consecutive days; • have a household income of no more than 200% of the State median income; and • provide care to an individual age 18 or older who is a spouse, parent, stepparent, grandparent, child, stepchild, sibling, aunt, uncle, son-, daughter-, mother-, or father-in-law. To date, the program has not been funded.

Background: The National Family Caregivers Association and Family Caregiver Alliance estimate that Maryland has 547,647 family caregivers that provide 587 million hours of care per year. The market value for these services would be \$5.8 million. Individuals with low to moderate income, women, and individuals ages 55 to 64 are more likely to be caregivers. Caregivers provide, on average, 20 hours or more per week of unpaid care and a total of 5 years of long-term care assistance while children of an individual requiring assistance typically provide nearly 10 years of assistance. According to the National Alliance for Caregiving, 62% of caregivers have had to make some adjustments to their work life, from reporting late to work to giving up work entirely.

The Maryland Caregivers Support Coordinating Council, established by Chapter 400 and 401 of 2001, coordinates statewide planning, development, and implementation of family caregiver support services. The council's Survey of Maryland Caregivers 2002 surveyed a sample of 629 informal caregivers in the State. Among younger recipients of informal care, developmental disabilities and mental retardation were the most common cause for requiring care while among older recipients of care the most common cause was Alzheimer's or dementia. The majority of care recipients were severely or completely disabled. Approximately 70% of care recipients lived in the caregiver's home. Caregiver income tended to decrease with age, and 50% of all caregivers report that providing long-term care has resulted in moderate or a great deal of financial hardship.

State Expenditures: DHMH general fund expenditures could increase beginning in fiscal 2009 to implement the program. The amount of such increase cannot be reliably estimated at this time but is anticipated to be significant. The amount would depend on the eligibility criteria established by DHMH, the amount of compensation provided, and the level of health insurance benefits provided to eligible individuals.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): National Family Caregivers Association, Family Caregiver Alliance, National Alliance for Caregiving, Department of Health and Mental Hygiene, Department of Legislative Services

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