

**Department of Legislative Services**  
Maryland General Assembly  
2009 Session

**FISCAL AND POLICY NOTE**  
**Revised**

Senate Bill 761

(Senator Middleton, *et al.*)

Finance

Health and Government Operations

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**Department of Health and Mental Hygiene - Long-Term Care Supports and Services - Report**

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This bill requires the Department of Health and Mental Hygiene (DHMH) to study the feasibility of creating a coordinated care program to reform the provision of Medicaid long-term care services in a manner that improves and integrates the care of individuals to meet the differing needs of seniors and adults with disabilities in the State. DHMH must submit an interim report by September 1, 2009 and a final report by December 1, 2010.

The bill takes effect June 1, 2009.

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**Fiscal Summary**

**State Effect:** The bill's requirements can be handled with existing DHMH budgeted resources.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The bill delineates that the purpose of the coordinated care program is to (1) deliver high-quality long-term care supports and services in a coordinated and integrated manner and in the most appropriate care setting to meet the needs and preferences of eligible individuals; (2) remove systemic and individual barriers to receiving care in home and community-based settings; and (3) ensure that, if the State

plans to manage long-term care through at risk contracts, the carve-out of mental health services and hospice services are implemented as required by Chapter 4 of the 2004 special session.

In developing the required reports on the coordinated care program, the Secretary of Health and Mental Hygiene has to convene specified stakeholders to evaluate and make recommendations consistent with the bill. The stakeholder process must include a review of long-term plans, consensus reports, experiences, and best practices in the State and in other states relating to the management and coordination of long-term care supports and services, as well as DHMH's plan for evaluating the existing home- and community-based services infrastructure.

The interim report must include a timeline and work plan for the stakeholder process. The final report must include draft legislation that would enact the consensus recommendations developed through the stakeholder process. If the General Assembly enacts legislation that requires the submission of a federal waiver, DHMH must submit the waiver by June 1, 2011.

#### **Current Law/Background:**

*Community Choice:* Chapter 4 of the 2004 special session (SB 819 of 2004) required DHMH to apply to the federal Centers for Medicare and Medicaid Services (CMS) for a waiver to establish the Community Choice Program, a managed care system for Medicaid enrollees receiving long-term care services. To develop the waiver, DHMH established the Community Choice Advisory Group comprising multiple stakeholders. In August 2005, DHMH submitted a Section 1115 Medicaid waiver application to CMS, which proposed to pilot the program in Baltimore City/Baltimore County and Prince George's/Montgomery counties. In May 2007, CMS denied the waiver on the basis that the program did not require a Section 1115 waiver and instead could be accomplished using a Section 1915(b)(c) waiver combination. Under Chapter 4 of the 2004 special session, the Community Choice Program, though never implemented, terminated effective May 31, 2008. DHMH has elected not to pursue the program further. However, in DHMH's announcement to no longer pursue the waiver, the department indicated a commitment to work with stakeholders to "achieve the goals enunciated by Community Choice." Although the program has terminated, it remains codified.

Medicaid funds almost half of the long-term care services provided in Maryland at a cost of approximately \$1.3 billion annually (nearly 25% of all Medicaid expenditures). Most long-term care services provided are nursing home services; however, home- and community-based services are also available. Home- and community-based services are less expensive and are generally the preferred option of Medicaid enrollees.

**Additional Comments:** HB 113 of 2009 is a substantially similar bill requiring DHMH to submit reports on the feasibility of creating a coordinated care program to reform the provision of long-term care services in Medicaid; however, HB 113 takes effect July 1, 2009.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** HB 1119 (Delegate V. Turner, *et al.*) - Health and Government Operations.

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

**Fiscal Note History:** First Reader - February 25, 2009  
ncs/mwc Revised - Senate Third Reader - April 9, 2009  
Revised - Updated Information - May 13, 2009

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Analysis by: Jennifer B. Chasse

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