

**Department of Legislative Services**  
Maryland General Assembly  
2014 Session

**FISCAL AND POLICY NOTE**

House Bill 590 (Chair, Health and Government Operations  
Committee)(By Request - Departmental - Health and  
Mental Hygiene)

Health and Government Operations

Finance

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**Maryland Medical Assistance Program - Waivers - Consolidation and Repeal**

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This departmental bill repeals the Medicaid Living at Home Waiver Program and alters the services to be included in the Medicaid home- and community-based services waiver (the Medicaid Older Adults Waiver) to consolidate the two waivers. The requirement that the Department of Health and Mental Hygiene (DHMH) and the Maryland Department of Aging (MDoA) jointly administer the Medicaid Older Adults Waiver is repealed. The bill also repeals obsolete language.

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**Fiscal Summary**

**State Effect:** Consolidation of the Medicaid Living at Home Waiver and the Medicaid Older Adults Waiver is primarily procedural. As there is no change in eligibility or services covered, no effect on State revenues or expenditures is anticipated.

**Local Effect:** None.

**Small Business Effect:** DHMH has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

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**Analysis**

**Bill Summary:** Services covered under the Medicaid Older Adults Waiver are altered. The following services are removed (1) personal care and homemaker services; (2) home health care services; (3) respite care services; (4) assistive technology; (5) environmental modifications; (6) medically necessary over-the-counter supplies ordered by a physician; (7) environmental assessments; (8) personal emergency response systems; (9) home

delivered meals; and (10) ambulance or other transportation services for specified individuals. Two services are added (medical day care services and senior center plus services). Generally, the services removed are either covered under the general Medicaid program or through the new Community First Choice (CFC) program.

The requirement that DHMH work with the Maryland Health Care Commission to try to assure that 20% of assisted living program waiver beds are nursing facility beds that have been converted to assisted living beds is repealed.

**Current Law/Background:** Effective January 6, 2014, DHMH administratively merged the Medicaid Older Adults Waiver and the Medicaid Living at Home Waiver. Most services are now available through the Medicaid Older Adults Waiver or as general Medicaid services, with a few services provided through the newly established CFC program. Eligibility for all waiver enrollees was maintained. The federal Centers for Medicare and Medicaid Services advised DHMH that the merger would best be accomplished by repealing the Living at Home Waiver and incorporating it into the Medicaid Older Adults Waiver. This bill makes the statutory changes necessary to consolidate the waivers. According to DHMH, consolidation is intended to lessen the administrative burden of operating separate programs, resolve programmatic inconsistencies, and ease federal reporting and oversight. Staff positions for the Medicaid Older Adults Waiver (previously assigned to MDoA) have been transferred to DHMH. Case management services will continue to be provided by staff at the local Area Agencies on Aging (AAAs).

*Medicaid Older Adults Waiver:* The waiver, which was administered by MDoA and funded through DHMH, was established in 1993 as the Senior Assisted Housing Waiver. The waiver was later amended, expanded, and renamed the Medicaid Older Adults Waiver. Low-income adults may be eligible for the waiver if they live at home or in a licensed assisted living facility and (1) are at least age 50; (2) have a monthly income of no more than 300% of federal Supplemental Security Income; (3) have assets of no more than \$2,000 to \$2,500; and (4) qualify for nursing facility level of care. The waiver covered personal care, respite care, assisted living services, Senior Center Plus services, family training, personal emergency response systems, dietitian/nutritionist services, assistive devices, behavior consultation services, home delivered meals, case management, medical day care, and transition services. Waiver participants are also eligible to receive additional services through CFC.

*Living at Home Waiver:* The now defunct Living at Home Waiver provided community services and supports to enable individuals with physical disabilities to live in their own homes. The waiver served individuals (1) between the ages of 18 and 64; (2) who required a nursing facility level of care; (3) with monthly income of no more than 300% of federal Supplemental Security Income; and (4) with assets of no more than \$2,000. The waiver provided the following services: attendant and personal care services, skilled

nursing supervision, assistive technology, personal emergency response systems, environmental assessments, environmental accessibility adaptations, medical day care, consumer and family training, case management, fiscal intermediary services, transitional services, home delivered meals, and dietician/nutritionist services.

*Community First Choice Program:* In 2014, DHMH began implementation of CFC, a new State Plan option established under the federal Patient Protection and Affordable Care Act. The program provides community services and supports to enable older adults and people with disabilities to live in their own homes. CFC services include personal assistance services, personal emergency response systems, technology, environmental assessments, accessibility adaptations, consumer training, supports planning, transition services, nurse monitoring, and home delivered meals. Individuals may be eligible for CFC if they require an institutional level of care and meet financial eligibility for Medicaid. Some services formerly provided under the Living at Home Waiver are now provided through CFC.

**Additional Comments:** Under the consolidated waivers and the new CFC program, participants will now have the option of choosing their case management provider. Previously, Medicaid Older Adults Waiver participants received case management services only through local AAAs, while Medicaid Living at Home Waiver participants received case management services through the Coordinating Center (a private provider). Participants are now able to choose from a local AAA or several private providers. Though not a direct result of this bill, revenues to local AAAs may be impacted as case management caseloads change. Small business case management providers may also benefit from reimbursement for case management services.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader - February 14, 2014  
mam/ljm

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Maryland Medical Assistance Program –Waivers – Consolidation and Repeal

BILL NUMBER: HB 590

PREPARED BY: Department of Health and Mental Hygiene

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

There is no economic impact on Maryland business because there will be no additional opportunity for health care providers to participate in the waiver program.