

Department of Legislative Services
Maryland General Assembly
2014 Session

FISCAL AND POLICY NOTE

House Bill 1380 (Delegate Hubbard)
Health and Government Operations

**Developmental Disabilities - Residential Programs - Reimbursement for Visitation
Absence Days**

This bill requires the Department of Health and Mental Hygiene (DHMH) to reimburse community providers serving individuals with developmental disabilities for a “visitation absence day.” DHMH may not impose any limitations on the number of visitation absence days per individual per year for which it will provide reimbursement. A community provider may not charge an individual in a “residential program” for a visitation absence day. DHMH may not use a rate-setting methodology that reduces funding for other cost factors when establishing the rate of reimbursement for visitation absence days.

Fiscal Summary

State Effect: General fund expenditures for the Developmental Disabilities Administration (DDA) increase beginning in FY 2015 to reimburse providers for visitation absence days beyond the current maximum of 33 days. The exact amount of any increase depends on the number of individuals that exceed the current limit, but, as discussed below, is likely \$100,000 or more. Revenues are not affected.

Local Effect: None.

Small Business Effect: Meaningful. Providers may receive reimbursement for visitation absence days beyond the current 33 allowable days.

Analysis

Bill Summary: “Visitation absence day” means an absence of an individual from a residential program for a full 24-hour period of a day when the individual is unable to be in residential services due to a visit with family or friends. “Residential program” means a community-based residential program that provides services to individuals in an alternative living unit or group home.

Current Law/Background: An “attendance day” for residential programs means when the individual is present for at least six hours in the home or spends the night in the home, which is the primary residence for the individual. To be reimbursed, a licensed residential program must submit attendance data for individuals served.

Under Code of Maryland Regulations (10.22.17.10), as of July 1, 2011, DHMH must only reimburse providers for 33 days of absences or vacancies per year per individual when the individual is unable to be in residential services due to illness, vacation, home visits, medical appointments, or other circumstances. DHMH may claim federal financial participation for residential absence days as permitted by the federal Centers for Medicare and Medicaid Services under the Home and Community-based Waiver. According to DDA, the current absence day policy aligns with the federal reimbursable limit of 33 days. Thus, any day beyond 33 reimbursable days must be paid with State general funds only and is not eligible for federal matching funds.

State Fiscal Effect: DDA general fund expenditures increase beginning in fiscal 2015 to reimburse providers for visitation absence days beyond the current 33-day limitation. The exact amount of any increase depends on the number of individuals that exceed the current limit. The average daily cost of residential services in fiscal 2015 is estimated at \$222.83.

DDA advises that, in fiscal 2012 and 2013, an average of 7.6% of clients receiving residential services were absent for 33 days or more. In fiscal 2015, DDA anticipates that 5,879 individuals will receive residential services. Thus, the Department of Legislative Services projects that 447 individuals (7.6%) can be anticipated to be absent for 33 or more days in fiscal 2015. For each day beyond 33 days that an individual is absent for a visitation absence day, DDA general fund expenditures increase by \$222.83. *For illustrative purposes only*, if each of the 447 individuals anticipated to meet or exceed the current 33-day limit is absent for just one additional visitation absence day in fiscal 2015, DDA expenditures increase by \$99,605.

Additional Information

Prior Introductions: None.

Cross File: SB 1014 (Senator Astle) - Finance.

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

Fiscal Note History: First Reader - March 7, 2014
mc/ljm

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