

Department of Legislative Services  
Maryland General Assembly  
2017 Session

FISCAL AND POLICY NOTE  
Enrolled - Revised

Senate Bill 696

(Senator Feldman, *et al.*)

Finance

Health and Government Operations

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**Task Force on Long-Term Care Education and Planning**

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This bill establishes the Task Force on Long-Term Care Education and Planning to (1) examine the status of long-term care education in the State; (2) consider options for improving efforts to educate residents of the State about planning for long-term care; and (3) make specified recommendations regarding long-term care education. United Seniors of Maryland may provide staff for the task force. By December 1, 2017, the task force must report its findings and recommendations to the Governor and the General Assembly.

The bill takes effect June 1, 2017, and terminates June 30, 2018.

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**Fiscal Summary**

**State Effect:** Participation in the task force, including reimbursement for standard travel expenses, can likely be handled with existing resources of the various State entities involved. Revenues are not affected.

**Local Effect:** None.

**Small Business Effect:** None.

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**Analysis**

**Bill Summary:** The task force must make recommendations regarding long-term care education in the State, including recommendations regarding education methods that will (1) ensure that no Maryland resident reaches the age of 50 without having received complete information about the risk of needing long-term care and the private options available to pay for long-term care and (2) include information about the Maryland Medical

Assistance Program, how the program is funded, and whom the program is intended to serve.

A member of the task force may not receive compensation but is entitled to reimbursement for expenses under the standard State travel regulations, as provided in the State budget.

**Current Law/Background:** Long-term care typically provides for the medical, social, personal, and supportive services needed by people who have lost some capacity for self-care because of a chronic illness or condition. This includes services provided by nursing homes, hospices, and at-home care but does not include medical care for acute conditions. The population of long-term care recipients includes the elderly, the functionally and developmentally disabled, and individuals suffering from mental disorders such as dementia and Alzheimer's.

#### *Long-term Care Insurance*

Due to the aging of the population, long-term care utilization is expected to increase significantly in the near future. Nationally, between 7 million and 9 million individuals currently have long-term care insurance. For the population 65 years of age and older, about 12% to 14% have coverage. While most private long-term care insurance is purchased by higher income individuals, purchase rates among the highest income elderly individuals are still relatively low, despite the potential costs of long-term care.

#### *Medicaid Long-term Services and Supports (Maryland Medical Assistance Program)*

According to Medicaid, approximately 42,000 individuals receive long-term services and supports (LTSS) through the State. LTSS are provided to individuals 65 and older, individuals with physical disabilities, individuals with intellectual disabilities, chronically ill children, and individuals eligible for both Medicaid and Medicare, also known as "dual eligible." Medicaid covers certain services available to these participants based on medical necessity and technical and financial eligibility.

LTSS are provided in home and community-based settings, as well as in institutions. Institutional settings include nursing facilities and intermediate care facilities for individuals with intellectual disabilities. Home and community-based services vary by program and may include, but are not limited to, personal assistance, nursing, nurse monitoring, medical day care, case management, transportation, medical supplies, and medical equipment. LTSS are mostly paid fee-for-service and are not covered by managed care organizations.

*Maryland Insurance Administration Long-Term Care Workgroup*

The Maryland Insurance Administration (MIA) has convened a Long-Term Care Workgroup which includes carrier representatives, consumer advocates, legislators, and insurance producers. The purpose of the workgroup is to address issues surrounding long-term care. MIA has also produced a [website](#) that provides background information on the need for long-term care, information about the costs of long-term care, and information about sources of payment for long-term care. MIA estimates that 150,000 residents of the State are covered by long-term care insurance policies.

**Additional Comments:** United Seniors of Maryland, an organization that advocates on behalf of senior citizens in the State, has agreed to provide staff for the task force and coordinate meetings, take notes and minutes, and compile the report.

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**Additional Information**

**Prior Introductions:** None.

**Cross File:** Although designated as a cross file, HB 953 (Delegate Morales, *et al.* - Health and Government Operations) is not identical.

**Information Source(s):** United Seniors of Maryland; Maryland Department of Aging; Maryland Insurance Administration; Department of Legislative Services

**Fiscal Note History:** First Reader - February 27, 2017  
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