

**Department of Legislative Services**  
 Maryland General Assembly  
 2022 Session

**FISCAL AND POLICY NOTE**  
**Third Reader - Revised**

House Bill 1051

(Delegate Kelly, *et al.*)

Health and Government Operations

Finance

**Elderly Individuals - Howard County and Montgomery County Adult Day Health Care Services Pilot Program and Task Force**

This bill establishes a Howard County and Montgomery County Adult Day Health Care Services Pilot Program to integrate the provision of medical adult day care, home health care, and medical services provided under Medicaid. Howard and Montgomery counties may jointly designate and authorize the operation of one or more entities to serve as an “integrator” and coordinate all services provided under the pilot program. The bill also establishes a Task Force on the Howard County and Montgomery County Adult Day Health Care Services Pilot Program. Howard and Montgomery counties must jointly staff the task force. By October 1 each year, the task force must report its findings and any recommendations to the Governor and the General Assembly. **The bill takes effect July 1, 2022, and terminates December 31, 2025.**

**Fiscal Summary**

**State Effect:** Medicaid expenditures (50% general funds, 50% federal funds) increase by an indeterminate amount in FY 2023 through 2026 for costs associated with the pilot program. Federal fund revenues increase accordingly. Over the long term, the pilot program may result in savings through integration and coordination of Medicaid services.

**Local Effect:** Local expenditures likely increase for Howard and Montgomery counties in FY 2023 through 2026 to staff the task force. To the extent the counties elect to designate an integrator to coordinate services under the program, expenditures may increase further. Revenues are not affected. **This bill may impose a mandate on a unit of local government.**

**Small Business Effect:** Minimal.

## Analysis

### **Bill Summary:**

#### *Eligibility and Services*

Participation in the pilot program is limited to elderly individuals who are (1) residents of Howard or Montgomery counties and (2) receiving medical adult day care, home health care, or medical services provided under Medicaid, including medical services offered by a Medicaid managed care organization.

Pilot program services must include, when applicable (1) an evaluation and assessment of each participant by a licensed nurse to complete an interdisciplinary care plan; (2) remote services, using an electronic device with video conferencing capability issued to the participant to facilitate communication with providers; (3) creation of a medication strategy for the participant to provide appropriate evaluation and monitoring of the administration of medications; (4) activities and social engagement to assist participants in reducing loneliness and depression and develop a sense of community with other participants; (5) coordination of medical care and other services ordered by a physician for the purpose of allowing participants to live safely in their home environment; (6) basic housekeeping services to assist participants in daily activities that may be challenging; and (7) transportation and delivery of meals.

#### *Pilot Program Administration*

“Integrator” means an entity that (1) organizes a voluntary association of licensed medical adult day care providers, home health care providers, and other providers and entities to coordinate to provide integrated services under the pilot program and (2) is licensed in the State to provide at least one of the services included in the pilot program.

Howard and Montgomery counties jointly may designate and authorize the operation of one or more entities to serve as an integrator in the counties. In consultation with Howard and Montgomery counties, an integrator must coordinate all services provided under the pilot program.

#### *Task Force*

The task force comprises one member of the Senate of Maryland, appointed by the President of the Senate; one member of the House of Delegates, appointed by the Speaker of the House; one representative of Howard County government, designated by the Howard County Executive; one representative of Montgomery County government, designated by the Montgomery County Executive; the Secretary of Aging (or designee);

the Secretary of Health (or designee); and five additional stakeholder members, appointed by the Governor. The Governor must designate the chair of the task force.

A member of the task force may not receive compensation but is entitled to reimbursement for expenses under the Standard State Travel Regulations.

The task force must (1) examine the status of medical adult day care in the State; (2) review and evaluate the list of services required in the pilot program; (3) review and evaluate the efficacy of providing services using an integrator; (4) identify and measure any enhanced continuity of care, using the integrator model, that would allow enrollees to remain in their homes and the community, defer treatment in higher levels of care, and reduce the incidence of treatment in acute care settings; (5) identify and measure any reduction in unnecessary utilization of emergency medical services by enrollees; (6) identify and compare differences and similarities between the pilot program, using the integrator model, and the features of the Program for All-Inclusive Care of the Elderly (PACE); (7) identify and measure other potential benefits of the integrator model; and (8) make recommendations regarding implementation of the pilot program on a statewide basis.

**Current Law:** Medical day care is a structured group program that provides health, social, and related support services to functionally disabled adults. Adult medical day care provides individuals the opportunity to receive medical care during the day in a community-based setting offering individuals an alternative to nursing facility care. Individuals can access Medicaid adult medical day care services through one of the following home and community-based waivers: Medical Day Care Services Waiver; Community Options Waiver; Brain Injury Waiver; Model Waiver; and Community Pathways Waiver.

Medicaid covers certain home health services when the services are, among other requirements, (1) provided upon the written order of a physician, physician assistant, certified nurse midwife, or certified nurse practitioner; (2) ordered by a Medicaid provider; (3) consistent with the current diagnosis and treatment of the participant's condition; (4) required by the medical condition of the participant on a part-time, intermittent basis; and (5) rendered in the participant's home, or other setting when normal life activities take the participant outside the home, by an approved provider. Covered services include skilled nursing services, home health aide services provided by a home health aide, and other health care services. As needed, physical therapy services provided by a physical therapist, occupational therapy services provided by an occupational therapist, and speech-language pathology services performed by a licensed speech-language pathologist may be provided.

The Maryland Department of Health (MDH) operates PACE, which provides comprehensive medical and social services to eligible individuals who live in the

community. Most PACE participants are dually eligible for Medicare and Medicaid and receive benefits on a capitated basis.

**State Fiscal Effect:** The bill requires the provision of specified services to pilot program participants, all of whom must be elderly individuals receiving medical adult day care, home health care, or medical services from Medicaid. MDH advises that Medicaid expenditures (50% general funds, 50% federal funds) increase by an indeterminate amount in fiscal 2023 through 2026 (the pilot terminates December 31, 2025) for additional services provided to pilot program participants. Federal fund revenues increase accordingly. Over time, the pilot program may achieve savings through the integration and coordination of Medicaid services.

MDH anticipates that the pilot program will require federal approval under a Section 1915(c) waiver. As the waiver application process involves receiving feedback from the federal Centers for Medicare and Medicaid Services and stakeholders, the earliest anticipated effective date for the pilot program would be January 1, 2023.

**Local Expenditures:** Montgomery County advises that it must hire one community health nurse to staff the task force, designate and consult with an integrator entity, and prepare the annual report at an estimated annual cost of \$89,100. Howard County advises that any impact on the county under the bill is minimal.

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### **Additional Information**

**Prior Introductions:** None.

**Designated Cross File:** SB 527 (Senator Feldman) - Finance.

**Information Source(s):** Maryland Department of Aging; Howard and Montgomery counties; Maryland Department of Health; Department of Legislative Services

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