February 25, 2020

The Honorable Maggie McIntosh, Chair
House Appropriations Committee
121 House Office Building
Annapolis, MD 21401-1991

RE: HB 584 – Day Care Centers for the Elderly and Day Care Centers for Adults – Reimbursement – Letter of Concern

Dear Chair McIntosh and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of concern for HB 584 – Day Care Centers for the Elderly and Day Care Centers for Adults – Reimbursement and requests the Committee report this bill unfavorably. HB 584 has a substantial fiscal impact on the Department and federal matching funds would not be available to cover the costs.

HB 584 requires the Maryland Medical Assistance Program (Medicaid) to reimburse a Medical Day Care (MDC) center for care provided to an elderly participant at the per diem rate ($82.24), even if the minimum four (4) hours of care are not be provided due to a weather-related closure or a medical emergency experienced by the participant while at the center. Currently, Medicaid does not reimburse in instances where the minimum requirement is not met.

Approximately 6,100 participants receive MDC center services each year. Assuming inclement weather resulted in statewide closures, under the HB 584 reimbursement model, the fiscal impact for a single day would be $501,664. These funds will be State-only because services must actually be delivered in order to qualify for a federal match. For each additional event, State-only expenditures will increase accordingly. Additionally, there is an indeterminate fiscal impact for medical emergencies at MDC centers because the Department cannot determine the frequency of these occurrences in a given year.

I hope this information is useful. If you would like to discuss this further, please contact Director of Governmental Affairs, Webster Ye, at (410) 260-3190 or webster.ye@maryland.gov.

Sincerely,

Robert R. Neall
Secretary