

Department of Legislative Services
Maryland General Assembly
2020 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 584
Appropriations

(Delegate Hettleman)

Day Care Centers for the Elderly and Day Care Centers for Adults -
Reimbursement

This bill requires the Maryland Department of Health (MDH) to reimburse a medical day care (MDC) provider for a full day of care when the provider is unable to provide care to a participant for the minimum four hours in a day due to a weather-related closure of the center or a medical emergency experienced by a participant while at the MDC center.

Fiscal Summary

State Effect: Medicaid general fund expenditures increase by an indeterminate amount beginning in FY 2021, as discussed below. Revenues are not affected. **This bill increases the cost of an entitlement program beginning in FY 2021.**

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Current Law/Background: MDC is a structured group program that provides health, social, and related support services to the elderly and functionally disabled adults, ages 16 and older. MDC acts as an alternative to a nursing care facility and provides individuals the opportunity to receive medical care in a community-based setting.

To deliver MDC services, providers must be licensed by MDH. The services provided by MDC providers must include (1) therapeutic arts and crafts; (2) community excursions, if appropriate; (3) hobby cultivation; (4) health services; (5) counseling services for

individuals and their families; (6) group dynamics; and (7) other services that enhance social functioning and develop activities of daily living and personal independence. In January 2019, there were 114 licensed MDC providers in the State.

MDH may use general and federal funds to subsidize MDC services for financially eligible elderly individuals and medically handicapped adults. MDC is a covered service under Medicaid's Medical Day Care Services Waiver, Brain Injury Waiver, Community Options Waiver, Community Support Waiver, Community Pathways Waiver, and Model Waiver. MDH advises there are approximately 6,100 participants who receive MDC services covered by Medicaid. The current per diem rate is \$82.24.

Under Maryland regulations (COMAR 10.09.07.05) Medicaid must reimburse for a day of care when the care is provided to participants certified as present at the MDC center for a *minimum* of four hours a day by an adequately maintained and documented participant register. Medicaid does not currently reimburse due to inclement weather or any other instance in which the minimum four-hour requirement is not met.

State Expenditures: Medicaid general fund expenditures increase by an indeterminate amount beginning in fiscal 2021 to reimburse MDCs as required under the bill. MDH advises that the reimbursement required under the bill would not be eligible for federal Medicaid matching funds; thus, 100% general funds are required.

MDH is unable to approximate how often MDCs are not reimbursed due to a medical emergency experienced by a participant while at the center. Similarly, the number of weather-related closures cannot be predicted in any given year. Weather events vary from county to county, and some MDCs may be affected by weather-related closures much more so than others.

For illustrative purposes only, if all 6,100 Medicaid enrollees who receive such services were at an MDC for part of the day but a weather event caused closures statewide such that none of the centers could provide the minimum four hours of care, general fund expenditures would increase by \$501,664 for that one day.

This estimate assumes that MDH only reimburses MDC providers for the care of individuals who qualify for Medicaid waivers. MDCs also provide services to privately insured and self-pay individuals.

Small Business Effect: Revenues for small business MDC providers increase to the extent they are affected by weather-related closures and medical emergencies of participants for which, under the bill, they may receive Medicaid reimbursement for providing less than four hours of care.

Additional Information

Prior Introductions: None.

Designated Cross File: SB 965 (Senator Hettleman) - Finance.

Information Source(s): Maryland Department of Aging; Maryland Department of Health; Department of Human Services; Department of Legislative Services

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md/jc

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