

Department of Legislative Services
 Maryland General Assembly
 2002 Session

FISCAL NOTE

House Bill 1253 (Delegate Valderrama)
 Environmental Matters

Medicaid - Home- and Community-Based Services Waiver for Older Adults

This bill requires the Department of Health and Mental Hygiene (DHMH) and the Department of Human Resources (DHR) to expand the capacity of the Medicaid Home- and Community-Based Services Waiver for Older Adults to include at least 6,135 individuals by the end of fiscal 2005. The Governor must include sufficient funds in the State budget for the additional costs resulting from the expansion.

Fiscal Summary

State Effect: DHMH expenditures could increase by \$14.4 million (50% general funds, 50% federal funds) in FY 2005 only. No effect on revenues.

(\$ in millions)	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	0	0	7.2	0	0
FF Expenditure	0	0	7.2	0	0
Net Effect	\$0	\$0	(\$14.4)	\$0	\$0

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal. Small business providers of community based services could serve more patients in FY 2005.

Analysis

Current Law: DHMH and the Maryland Department of Aging (MDoA) implemented the Senior Assisted Housing Waiver in 1993. The waiver gives eligible low-income adults a choice of receiving long-term care services in a community-based setting, rather than in a nursing facility. In 1999 the waiver was expanded to cover services in all types of licensed assisted living facilities as well as supportive services for individuals living at home. The expanded waiver, renamed the Waiver for Older Adults, was implemented in April 2001.

Background: In July 2001, the Waiver for Older Adults was approved by the federal Centers for Medicare and Medicaid Services (CMS) to operate for five years. During its first year, fiscal 2002, the waiver is approved to serve 2,135 participations, and the number of approved participants increases by 1,000 annually.

Participation in the Waiver for Older Adults by Fiscal Year

Fiscal 2002	2,135
Fiscal 2003	3,135
Fiscal 2004	4,135
Fiscal 2005	5,135
Fiscal 2006	6,135

State Fiscal Effect: DHMH expenditures could increase by \$14,425,740 (50% general funds, 50% federal funds) in fiscal 2005 only. This estimate assumes all 1,000 additional individuals would enroll in fiscal 2005, increasing estimated waiver participation from 5,135 to 6,135 in that fiscal year. DHMH's fiscal 2003 budget allowance for enrolling 1,000 additional participants is \$12.6 million (50% general funds, 50% federal funds). Fiscal 2005 expenditures assume DHMH would require the same funding to enroll the additional 1,000 participations and reflect 7% annual inflation. Fiscal 2006 enrollment would remain at 6,135 as specified by the waiver. Revenues would not be affected.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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lc/jr

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