

Department of Legislative Services
Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 953 (Delegate Morales, *et al.*)
Health and Government Operations

Task Force on Long-Term Care Education and Planning

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. The Maryland Department of Aging (MDOA) is required to 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.

Fiscal Summary

State Effect: Any expense reimbursements for task force members and staffing costs for MDOA are assumed to be minimal and absorbable within existing budgeted resources, as discussed below. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

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.

State Expenditures: MDOA advises that, in order to fulfill the bill's requirements, it must hire one three-quarter time contractual administrative employee with expertise in long-term care financial planning at an approximate cost of \$9,200 in fiscal 2018 and \$26,400 in fiscal 2019. The Department of Legislative Services (DLS) notes that the bill does not require MDOA to make recommendations about long-term care financial planning but rather to make recommendations concerning long-term care *education* in the State. Additionally, efforts by the MIA Long-Term Care Workgroup to compile educational information for consumers and to develop strategies to improve communications between insurance carriers and policyholders likely serve as a starting point for the task force established under the bill. Thus, given the limited scope of the recommendations required and the previous work of the MIA Long-Term Care Workgroup, DLS advises that staffing costs for MDOA are likely minimal and absorbable within existing budgeted resources.

Additional Information

Prior Introductions: None.

Cross File: SB 696 (Senator Feldman, *et al.*) - Finance.

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

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md/ljm

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