

SFA

BILL ANALYSIS

Senate Fiscal Agency

Lansing, Michigan 48909

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House Bill 4560 (Substitute H-3 as reported without amendment)

Sponsor: Representative Victor C. Krause

House Committee: Mental Health

Senate Committee: Human Resources and Senior Citizens

Date Completed: 11-4-88

RATIONALE

Health care services designed to meet the special needs of the elderly have received more attention in recent years as the ranks of this group, and the number of mental and health-related disorders associated with it, continue to increase. The Michigan Task Force on Alzheimer's Disease and Related Disorders recently reported that by 1990, an estimated 214,000 persons living in Michigan will suffer from some type of dementia, 118,000 of whom will experience the most notorious old-age dementia — Alzheimer's disease. Alzheimer's and related disorders affect more than just the elderly, however: families of persons who have these disorders, and those who provide services for such persons and their families, are financially and emotionally burdened. As the number of those suffering from dementia increases, communities throughout the State, in conjunction with certain State departments, have been working to develop a continuum of services for those who experience moderate to severe forms of dementia and for their families. Some feel that with the growing number of persons afflicted with Alzheimer's and related disorders, and with the increasing need for care-providers, the State should establish a special grant program designed to help offset the costs to community agencies that wish to offer these special care services.

CONTENT

The bill would amend the Mental Health Code to create a grant program that would fund pilot "care program" projects designed to meet the special needs of persons diagnosed as having Alzheimer's disease or related disorders (including multi-infarct dementia, Huntington's disease, and Parkinson's disease) who are in the "moderate to severe range of disability". The Department of Mental Health (DMH) would have to administer the grants in an effort to encourage the development of adult day care, crisis intervention, and respite care services.

The bill would require grant recipients to provide a matching contribution equal to at least 25% of the grant amount in either cash or in-kind services, such as paid staff or volunteers. Both public and private nonprofit agencies would be eligible for grants, which would be awarded throughout the State. An applicant for a grant would be required to apply in the manner prescribed by the Department, and would also have to do the following:

- Identify the agency or agencies involved in developing the care program.
- Identify the geographic area the care program would serve.

- Identify the estimated number of participants and the scope of their care needs.
- Describe how existing programs were unable to meet the care needs of participants.
- Describe how the care program would meet the care needs of participants.
- Describe the coordination of the care program with existing programs.
- Describe how the local community mental health board would be involved in the care program.
- Describe the involvement of the care program with existing educational programs, if any.
- If participants would be charged for any portion of the cost of their participation in the care program, describe how the care program would assist those who could not afford such costs. (The bill would require that volunteer services by families of participants be considered in defraying the cost of services in a care program.)
- Describe the role of volunteers in a care program and how they would be trained and supervised.
- Describe training for care-givers (if provided).
- Identify additional sources of funding for a care program such as private donations, foundation grants or Medicare reimbursement.
- Describe how the care program would provide counseling and referral services.
- Describe how the care program would provide family support services.

The Department of Mental Health would be required to report to the Legislature annually on the progress being made in implementing pilot projects, the number of projects established by grant recipients, and the number and characteristics of those served. The report would also have to include an evaluation of the usefulness of the projects in delaying the institutionalization of participants, providing respite for families caring for participants at home, and relieving the burden of "care-giver stress". Not later than five years after the bill became law, the Department would be required to evaluate the effectiveness of the program and make a recommendation to the Legislature regarding the continuation or modification of the program, or its integration into the community mental health system.

The Department would be required to promulgate rules to carry out the purposes of the bill before January 1, 1989.

MCL 330.1950 et al.

FISCAL IMPACT

The Gross cost for a single project is estimated at \$60,000. Since the bill would require a 25% match from the Grantee, the net cost per project would be \$45,000 GF/GP assuming

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no other revenue offsets would be available. Total costs would be based on the actual number of projects that were established, which would be a function of the eventual number of Grantee applications that were submitted and accepted.

ARGUMENTS

Supporting Argument

As the number of elderly persons and the many health problems associated with this group continue to grow, providing adequate care for those who suffer moderate to severe forms of dementia is becoming more and more difficult. Some of the many problems and needs facing families, service providers and policy makers related to this group include the accurate diagnosis of these diseases, research designed to find treatments and cures, money to finance quality care for dementia patients, and the availability of a continuum of support services to family members and care-givers. Existing adult day care programs sometimes cannot admit clients with moderate or severe dementia due to the need for constant supervision, incontinence, or lack of appropriate conditions to meet the high level of care required. In addition, past legislation addressing these problems has consistently attempted to find ways to avert institutionalization of persons for as long as possible. The bill would address many of these concerns and would give specific guidelines for local community agencies to follow to develop care programs for those experiencing moderate to severe dementia.

Supporting Argument

By requiring that local governmental agencies provide a matching contribution of at least 25% of the grant, the bill would attempt to secure funding from sources other than the State. The bill includes language specifying that sources such as private donations and foundation grants, and the value of staffing and volunteer resources could be used as part of a local agency's 25% matching contribution.

Response: On the contrary, some feel that the matching contribution of at least 25% of the grant by local agencies could be too high. This minimum requirement is higher than those found in other health care programs and could discourage agencies with smaller program budgets from seeking grants — a consequence that could defeat the purpose of the bill.

Opposing Argument

The bill is not necessary since the Mental Health Code already contains provisions for the development and funding of services which fall under the jurisdiction of the DMH. In fact, the DMH already has programs designed to meet the special needs of those suffering from Alzheimer's and related disorders. Also, by amending the Code to target specifically persons suffering from specific dementia disorders, the bill could set a precedent and encourage other special interest groups to demand similar inclusion into the Code.

Response: The tremendous need for programs for those afflicted with Alzheimer's and related disorders justifies special provisions to address the problems associated with these diseases. The bill would provide specific guidelines to assist the DMH in evaluating care programs, which would be more comprehensive than current provisions, and would emphasize the awareness of State and local government of the increasing need for these programs.

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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.