

MEDICAID BENEFITS FOR ADULT FOSTER CARE

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House Bill 4751 (Substitute H-1)
Sponsor: Rep. Richard Ball
Committee: Family and Children Services

Complete to 11-3-05

A SUMMARY OF HOUSE BILL 4751 AS REPORTED BY COMMITTEE 11-1-05

The bill would amend the Social Welfare Act, which deals with the Medicaid program, to allow Medicaid-eligible individuals to receive services related to care (e.g., assisted living) provided in an adult foster care facility licensed under the Adult Foster Care Facility Licensing Act if certain conditions were met. The Department of Community Health (DCH) would be required to seek a waiver from the U.S. Department of Health and Human Services to provide adult foster care-related services. DCH could pay for such services and determine rates and costs for services if it received a waiver and all of the following conditions were met:

- DCH had designated locally- or regionally-based single points of entry for long-term care.
- An eligibility mechanism had been established to determine eligibility for the services.
- There had been an appropriation of state general funds for the purpose of providing the services.

FISCAL IMPACT:

House Bill 4751 would increase state Medicaid costs by expanding the range of Medicaid covered services provided to eligible residents in adult foster care. According to data from the Department of Human Services, there are about 13,000 persons residing in adult foster care facilities in Michigan who are eligible for SSI and qualify for Medicaid. Currently, the Medicaid program pays an individual a personal care supplement of \$157.50/month for personal care services provided in adult foster care at a total annual cost of \$26.0 million.

The bill's fiscal impact is difficult to quantify because it directs the Department of Community Health to determine the reimbursement rates for the services provided. As a comparison, the typical Medicaid cost for a day of nursing home care in Michigan is \$135, while the daily costs under the MIChoice Home and Community Based Services Program is \$39. The expansion of Medicaid services in adult foster care settings would generally cost less, and some of the increased program costs may be offset if nursing home admissions (or other services) are delayed or prevented as a result of the increased coverage.

POSITIONS:

The Department of Human Services supports the substitute bill. (11-1-05)

The Michigan Assisted Living Association supports the bill. (11-1-05)

The Michigan Center for Assisted Living supports the bill. (11-1-05)

Michigan Protection and Advocacy supports the bill with amendments. (11-1-05)

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■ This analysis was prepared by nonpartisan House staff for use by House members in their deliberations, and does not constitute an official statement of legislative intent.