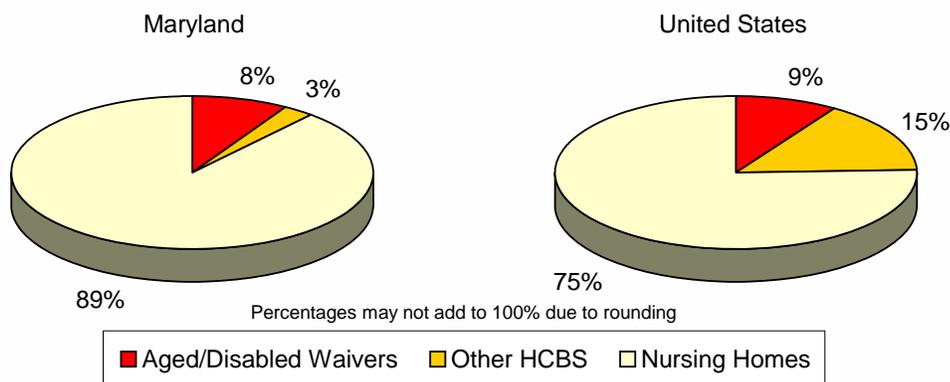


State Long-Term Care Reform in
MARYLAND

Medicaid Long-Term Care Spending for Older People and Adults with Physical Disabilities in Maryland and the U.S., 2006



Compared to the U.S. average, Maryland allocates a greater percentage (89 percent) of its Medicaid long-term care (LTC) spending for older people and adults with physical disabilities to nursing homes, even though most people prefer to remain in their own homes and communities. In FY 2006, Maryland spent 8 percent on waiver services and 3 percent on personal care services (PCS).

Type of Service	Medicaid Participants ¹			Expenditures (millions)		
	1999	2004	Change	2001	2006	Change
HCBS	4,759	8,464	+3,705	\$36	\$121	+\$85
Nursing Homes	27,920	27,109	-811	\$697	\$939	+\$243

Although Maryland still has an unbalanced LTC system for older people and adults with physical disabilities, recent Medicaid trends indicate progress has occurred. Many more Medicaid participants receive nursing home services than receive home and community-based services (HCBS). However, the number of participants in nursing homes decreased slightly from 1999 to 2004, while the number of participants receiving HCBS increased significantly. From FY 2001 to FY 2006, the increase in spending on nursing homes was nearly three times the increase in spending on HCBS.

¹ This analysis separates Medicaid participation and spending data for older people and adults with physical disabilities from the population with mental retardation/development disabilities (MR/DD) and other LTC populations. Participants and expenditures for HCBS include all 1915(c) waivers for older people and adults with physical disabilities, and the personal care services option, if the state offers it. All participants and expenditures for nursing homes are included, regardless of the participants' type of disability or reason for admission. Excluded are participants and expenditures for intermediate care facilities for mental retardation (ICF/MR), HCBS waivers for other populations such as MR/DD, home health, and individuals receiving LTC services through managed care programs. Participant numbers include all persons receiving services during the year, not the average number on a given day; the number of nursing home participants is greater than the number of nursing home beds in each state. The average number of Medicaid nursing home residents on any given day for each state appears in the *Tables* tab at the end of the full report *A Balancing Act: State Long-Term Care Reform (#2008-10)*.

In FY 2007, 24,531 persons lived in Maryland nursing homes, and the Older Adults home and community-based waiver program had about 3,500 participants. The program also had a waiting list of 8,500 persons. A state-funded program, Senior Care, had more than 3,800 participants in FY 2007, with a waiting list of 2,259 people. However, the legislature had appropriated an additional \$750,000 in FY 2007 to reduce the waiting list.

Major Initiative

Maryland has put significant effort into informing nursing home residents of their options for living in the community, and providing assistance to those residents who wish to make that transition. In 2001, Maryland was one of 14 states to receive a Nursing Facility Transition grant under the new federal Systems Change grant program. Implementation of that grant led to the transition of 193 residents from nursing homes to community settings.

“Money Follows the Individual”

Maryland enacted legislation requiring its department of health to identify nursing home residents wishing to move to the community and to provide them with information and assistance.

To ensure that nursing home residents learned of their options and were able to seek assistance to return to the community if they wished, the Maryland legislature passed two laws. In 2003, legislators enacted the Money Follows the Individual Act (House Bill 478), which guarantees nursing home residents an opportunity to transition to community-based waivers, regardless of any budgetary caps on waiver enrollments. In 2004, legislators enacted the Money Follows the Individual Accountability Act (Senate Bill 620), which requires the Department of Health and Mental Hygiene (DHMH) to identify residents wishing to move to the community and provide them with information and assistance.

In 2007, Maryland was awarded a \$67.2 million federal grant under the Money Follows the Person demonstration program to move approximately 2,000 persons (including 1,360 older adults) out of nursing homes into community settings over five years. Under the program, the state will provide “peer mentors” to support institutional residents who want to move out, and plans to create a Statewide Transition Center to help persons with education, the application process, and housing and other transition services.

Other Developments

Managed Long-Term Care. Maryland had been developing a Medicaid capitated managed LTC program (CommunityChoice Managed Long-Term Care) since 2005, to be piloted in two regions of the state. However, a new governor and administration in 2007 decided not to pursue federal approval for a waiver for the project, which had elicited criticism from various advocacy and provider groups. Objections included concern about the size of the pilot regions and the mandatory rather than voluntary nature of the plan. Providers had also sought greater protections against potential financial losses. State officials said they wanted to reevaluate LTC reform efforts.