

ELDERLY SUPPORT SUBSIDY

House Bill 4130

Sponsor: Rep. Judith Scranton

Committee: Senior Health, Security and Retirement

Complete to 2-5-99

A SUMMARY OF HOUSE BILL 4130 AS INTRODUCED 2-2-99

The bill would create a new act, the "Elderly Support Subsidy Act", to establish a program to pay monthly subsidies to families who care for an elderly relative (age 65 or older) at home. The bill specifies that the purpose of the program would be "to keep families together and to reduce capacity in state facilities by defraying some of the special costs of caring for eligible elderly people, allowing elderly people to reside with a family member in their family home". The program would be established in the Office of Services to the Aging, which would administer the program and could promulgate rules to implement the bill.

Eligibility. The Office of Services to the Aging would create an application form for the program, which would require at least the following information (and this information would constitute eligibility for an elderly support subsidy):

- The name of the family member with whom the elderly person will reside. A family member could be an elderly person's spouse, child, parent, stepparent, grandparent, grandchild, sibling, parent-in-law, sibling-in-law, nephew, niece, aunt, uncle, first cousin, or the spouse or guardian of any of these. The family member would be the recipient of the subsidy.
- Verification that the elderly person was at least 65 years old.
- A statement that the elderly person resides or was expected to reside with the family member who would receive the support subsidy.
- A statement that the family member was a Michigan resident.

Subsidy. The elderly support subsidy would be paid to the family member, but would be considered a benefit to the elderly person. The subsidy would have to be used to provide long-term care to the elderly person, including housing and assistance with the activities of daily living. The bill specifies that the subsidy would be required to complement but not replace public assistance or social service benefits based on economic need available through governmental programs. Further, the subsidy would not be subject to assignment, sale, transfer, lien, or encumbrance. In the event of bankruptcy, a subsidy would not pass to or through a trustee or another person acting on behalf of creditors.

The elderly support subsidy would terminate if the elderly person died, or if the recipient family member no longer qualified to receive the subsidy. A recipient of an elderly support subsidy would have to immediately report, in writing, if either of these events occurred, and would also have to report in writing in the event that the recipient requested termination of the subsidy. In addition, each recipient of an elderly support subsidy would have to provide an annual statement that the subsidy was used to provide long-term care to the elderly person, including housing and assistance with activities of daily living.

The amount of the subsidy would be equivalent to the monthly maximum Supplemental Security Income payment available in Michigan for an adult recipient living in the household of another, as formulated under federal regulations as of July 1, 1998. Increases would be determined annually by legislative appropriation. However, in the event that the legislature did not appropriate sufficient funds to pay the full amount of all elderly subsidies, the Department of Management and Budget, after notifying the governor and the House and Senate Appropriations Committees, could reduce each subsidy on a pro rata basis. The reduction could not be more than an aggregate of 25 percent in a fiscal year without written approval of the legislative appropriations committees.

In addition to a monthly subsidy amount, the recipient family member could receive a one-time lump sum payment of twice the monthly subsidy amount for the purpose of alterations to the home or acquisitions of equipment to accommodate in-home care of the elderly person.

Termination, denial of subsidy. The Office of Services to the Aging could terminate a subsidy if it determined that a recipient had not reported, as required, information affecting eligibility for a subsidy, or that an application or report contained false information. In the event of a denial or termination of a subsidy, the applicant or recipient could demand, in writing, a hearing. The hearing would be conducted by the Office of Services to the Aging as a contested case hearing under the Administrative Procedures Act.

Evaluation of program. The Department of Management and Budget, in conjunction with the Office of Services to the Aging, would have to annually evaluate the elderly support subsidy program, and transmit the evaluation to the governor, to the House and Senate Appropriations Committees, and to the legislative committees with legislative oversight of human services and senior citizens programs. The evaluation would have to include at least the following:

- The impact of the program on elderly people, including (to the extent possible) sample case reviews of families who chose not to participate.
- Case reviews of families who voluntarily terminated participation, particularly when the elderly person is placed out of the family home, including the involvement of the Offices of Services to the Aging in offering suitable alternatives.
- Sample assessments of families receiving subsidy payments, including adequacy of the subsidy and need for services not available.

- Efforts to encourage participation in the program.
- The geographic distribution of families receiving subsidy payments, and (to the extent possible) the geographic distribution of each elderly person presumed to be eligible for subsidy payments.
- Programmatic and legislative recommendations to further assist families in providing care for elderly relatives.
- Problems that arise in identifying eligible elderly people.
- The reduction in the number of beds used in public and private facilities as a result of the program.
- Caseload figures.
- An estimate of the total amount of elderly support subsidies projected for the next fiscal year.

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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.