

Legislative Analysis



MEDICAID BENEFITS FOR ADULT FOSTER CARE

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House Bill 4284

Sponsor: Rep. Richard Ball

Committee: Families and Children's Services

Revised Summary

Complete to 5-25-07

A REVISED SUMMARY OF HOUSE BILL 4284 AS INTRODUCED 2-20-07

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. 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.

MCL 400.109

FISCAL IMPACT:

House Bill 4284 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. As of October 1, 2006, the Medicaid program pays an individual a personal care supplement of \$184.38/month for personal care services provided in adult foster care. The appropriation in Fiscal Year 2007 for services provided in adult foster care is \$25.5 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 \$140, while the daily costs under the MIChoice Home and Community Based Services Program is \$41. 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.

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