

## OFFICE OF POLICY AND LEGAL ANALYSIS

Date: May 20, 2021  
To: Joint Standing Committee on Health & Human Services  
From: Anna Broome, Legislative Analyst

### **LD 296 An Act To Provide a Tax Credit for Family Caregivers**

**SUMMARY:** This bill expands the role of DHHS with respect to the Respite Care Fund to include services for family caregivers. It provides a refundable income tax credit of \$2,000 for certified family caregivers and permits eligible family caregivers to choose to receive services or a tax credit. It requires the department, in rules, to prescribe the details of eligibility for family caregiver services and the tax credit within the context of the Respite Care Fund and the National Family Caregiver Support Program. The bill requires the department to establish a stakeholder group to assist in carrying out the purposes of the family caregiver program, evaluating the effect of the program and assisting with the compilation of an annual report. The bill requires that revenue losses to the General Fund attributable to the family caregiver income tax credit be reimbursed from the Respite Care Fund and provides that aggregate expenditures under the Respite Care Fund may not exceed \$5,000,000 annually excluding existing funds and federal revenue.

**Amendment from sponsor (resolve version):** Requires DHHS to establish a Family Caregiver Grant Pilot Program in cooperation with the Area Agencies on Aging to expand the use of the Respite Care Fund established in Title 22, section 7308 (see below) to increase the number of families served, provide a family caregiver grant, and examine needs and preferences of families served by the Respite Fund. The pilot provides a grant that is no more than \$2000 to family caregivers not otherwise being paid for caregiving or receive services under §7308.

**Eligibility:** adult family members or other informal caregivers 18+ yrs caring for individuals 60+years or to any age individual with Alzheimer's or related disorders; older relatives other than parents caring for a child <18 years old; older relatives including parents aged 55+years caring for an adult 18-59 years with disabilities.

It requires a stakeholder group to make recommendations for development of the program, implementing the program and evaluating its impact. Beginning October 2022, expenditures up to \$5m in a calendar year with up to 10% administrative costs. Pilot enrolls participants from October 2022 to September 2024. Requires a report to HHS committee January 2025.

## **DRAFTING ISSUES:**

- Is the “use” of Respite Care Fund being “expanded” or only serve more people?
- Stakeholder group slightly unclear. Must be convened by October 2021 and the language includes “development” of the program; the department “may” convene a group to assist in designing the pilot – are these different? If the funding doesn’t begin until October 2022 and the group is not assisting in designing the pilot, what are its duties early on? Unclear how often the group is required.
- Eligibility is determined in terms of caregivers and those cared for, and the data requires waitlists. How are the individuals to receive grants chosen? If in rules, needs a clarification. Grant program with finite funding but unclear how eligible persons are chosen to receive grants.
- Program begins in October but the funding is based on calendar year. Should it be October-September year?

## **ADDITIONAL INFORMATION REQUESTED BY COMMITTEE:**

- How much is in the Respite Care Fund established in 22 MRSA §7308 and what is its funding source? Is it fully expended each year? Are there any restrictions on its use that conflict with LD 296. From **OADS:**

“There are no specific legislative allocations to the Respite Care Fund established under Title 22 §7308. Each year, \$566,057 of State General Funds, as part of the Office of Aging and Disability Service’s annual budget, is used to support the State-funded Respite Care Program through contracts with the area agencies on aging. The area agencies on aging are allowed to use 10% of the \$566,057 for administrative costs.

Yes, the area agencies on aging do expend the full \$566,057.

No, there are no restrictions on the use of these funds because they are State General Funds. However, any amount of these funds used on the pilot grant program established by LD 296 will lessen the amount available to spend on the regular State-funded Respite Care Program. LD 296 states that the caregiver may choose annually to receive either services provided under §7308 or the family caregiver grant established by this bill. OADS’s understanding is that any newly allocated funds for the pilot will also be available to support the State-funded Respite Care Program.”

- Testimony referred to federal funding under ARPA. Is this an option? From **OADS**: “We are not aware of ARPA funding that is targeted to this type of program. If the thought is that some of the 10% HCBS FMAP increase could go to this purpose, we do not believe CMS would approve such a use, as those funds must be spent to improve HCBS for Medicaid-eligible individuals. Our current respite program, and the expansion envisioned in this bill, would serve a much broader population.”

**Title 22 §7308. Respite Care Fund**

The department shall administer the Respite Care Fund for the purpose of providing short-term respite care for persons with Alzheimer's disease and other dementias. This respite care may include short-term in-home care, nursing or residential care facility stays, hospital or adult day care or home modifications. The department also may use the fund to carry out the purposes of the National Family Caregiver Support Program.

**FISCAL IMPACT:**

Not yet received.