



**House  
Legislative  
Analysis  
Section**

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**ALZHEIMER'S PILOT PROJECT GRANTS**

**House Bill 4560 (Substitute H-3)**  
**First Analysis (3-29-88)**

RECEIVED

**Sponsor: Rep. Victor C. Krause**  
**Committee: Mental Health**

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***THE APPARENT PROBLEM:***

Health care services designed to meet the special needs of the elderly have received more attention in recent years as the ranks of this group, and the number of mental and health-related disorders associated with it, continue to increase. The Michigan Task Force on Alzheimer's Disease and Related Disorders recently reported that by 1990, an estimated 214,000 persons living in Michigan will suffer from some type of dementia, 118,000 of whom will suffer from the most notorious old-age dementia — Alzheimer's disease. But Alzheimer's and related disorders affect more than just the elderly: families of those suffering from these disorders, and those who provide services for such persons and their families, are financially and emotionally burdened. As the number of those suffering from dementia increases, communities throughout the state, in conjunction with certain state departments, have been working to develop a continuum of services for those who suffer from moderate to severe forms of dementia and for their families. Some feel that with a growing number of persons suffering from Alzheimer's and related disorders, and with the growing need for care-providers, the state should establish a special grant program designed to help offset the costs to community agencies that wish to offer these special care services.

***THE CONTENT OF THE BILL:***

The bill would amend the Mental Health Code to create a grant program that would fund pilot "care program" projects designed to meet the special needs of persons diagnosed as having Alzheimer's disease or related disorders (including multi-infarct dementia, Huntington's disease, and Parkinson's disease) who are in the "moderate to severe range of disability." The Department of Mental Health would administer the grants in an effort to encourage the development of adult day care, crisis intervention, and respite care services.

The bill would require grant recipients to provide a matching contribution equal to at least 25 percent of the grant amount in either cash or in-kind services, such as paid staff or volunteers. Public and private nonprofit agencies would be eligible for grants. An applicant for a grant would be required to apply in the manner prescribed by the department, and would also have to do the following:

- identify the agency or agencies involved in developing the care program;
- identify the geographic area the care program would serve;
- identify the estimated number of participants and the scope of their care needs;
- describe how existing programs are unable to meet the care needs of participants;
- describe how the care program would meet the care needs of participants;
- describe the coordination of the care program with existing programs;

- describe how the local community mental health board would be involved in the care program;
- describe the involvement of the care program with existing educational programs, if any;
- if participants would be charged for any portion of the cost of their participation in the care program, describe how the care program would assist those who cannot afford such costs (the bill would require that volunteer services by families of participants would be considered in defraying the cost of services in a care program);
- describe the role of volunteers in a care program and how they would be trained and supervised;
- describe training for care givers (if provided);
- identify additional sources of funding for a care program such as private donations, foundation grants or Medicare reimbursement;
- describe how the care program would provide counseling and referral services; and
- describe how the care program would provide family support services.

The Department of Mental Health would be required to report to the legislature annually on the progress being made in implementing pilot projects, the number of projects established by grant recipients, and the number and characteristics of those served. The report would also have to include an evaluation of the usefulness of the projects in delaying the institutionalization of participants, providing respite for families caring for participants at home, and relieving the burden of "care-giver stress." Not later than five years after the bill became law, the department would be required to evaluate the effectiveness of the program and make a recommendation to the legislature regarding the continuation or modification of the program, or its integration into the community mental health system.

The department would be required to promulgate rules to carry out the purposes of the bill before January 1, 1989.

MCL 330.1950 et al.

***FISCAL IMPLICATIONS:***

According to the Department of Mental Health, the bill would have significant fiscal implications to both state and local government. The department has estimated that the cost to fund one special project would be about \$60,000. This estimate is based on current funding for similar care programs intended to help those with Alzheimer's disease and related disorders. The DMH was appropriated \$347,600 for the 1987-88 budget in order to fund these programs and is requesting \$350,000 for the 1988-89 budget; the department, however, has indicated that it is not currently in a position to redirect these funds to new programs. Therefore, the total state fiscal impact of the bill would depend upon two things: the number of projects that were developed throughout the state as a result of the bill, and how the legislature decides to appropriate

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funds for projects developed under the bill. Local government agencies, of course, would be required to provide a matching contribution of a minimum of 25 percent of the amount of the grant. (3-23-88)

## **ARGUMENTS:**

### **For:**

As the number of elderly persons and the many health problems associated with this group continues to grow, providing adequate care for those who suffer moderate to severe forms of dementia is becoming more and more difficult. Some of the many problems and needs facing families, service providers and policy makers related to this group include the accurate diagnosis of these diseases, research designed to find treatments and cures, money to finance quality care to dementia patients, and the availability of a continuum of support services to family members and caregivers. Existing adult day care programs sometimes cannot admit clients with moderate or severe dementia due to the need for constant supervision, incontinence, or lack of appropriate conditions to meet the high level of care required. In addition, past legislation addressing these problems has consistently attempted to find ways to avert institutionalization of persons for as long as possible. The bill would address many of these concerns and would give specific guidelines for local community agencies to follow to develop care programs for those suffering from moderate to severe dementia.

### **For:**

By requiring that local government agencies provide a matching contribution of at least 25 percent of the grant, the bill would attempt to secure funding from sources other than the state. The bill includes language specifying that sources such as private donations, foundation grants, and the value of staffing and volunteer resources could be used as part of a local agency's 25 percent matching contribution.

**Response:** On the contrary, some feel that the matching contribution of a minimum of 25 percent of the grant by local agencies may be too high. This minimum requirement is higher than those found in other health care programs and may discourage agencies with smaller program budgets from seeking grants — a consequence which may defeat the purpose of the bill.

### **Against:**

The bill is not necessary since the Mental Health Code already contains provisions for the development and funding of services which fall under the jurisdiction of the DMH. In fact, the DMH already has programs designed to meet the special needs of those suffering from Alzheimer's and related disorders. Also, by amending the code to specifically target persons suffering from specific dementia disorders the bill may set a precedent and cause other special interest groups to demand similar inclusion into the code.

**Response:** After studying the issue for a number of months, it was clear to the special legislative committee that generated this bill that the tremendous need for programs for this population justified special provisions to address the problems associated with Alzheimer's disease and similar disorders. The bill would provide specific guidelines to assist DMH in evaluating care programs, which are more comprehensive than current provisions, and would emphasize the awareness of state and local government of the increasing need for these programs.

## **POSITIONS:**

The Department of Mental Health supports the bill. (3-23-88)

The Department of Public Health supports the bill. (3-23-88)

The Department of Social Services supports the bill. (3-24-88)

The Office of Services to the Aging supports the bill. (3-24-88)

The Detroit Area Chapter of Alzheimer's Disease and Related Disorders Association supports the bill. (3-23-88)

The Michigan Association of Community Mental Health Boards opposes the bill. (3-21-88)