

Report on Medicaid Compensation Options for Care Provided by Legally Responsible Caregivers

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utah department of
human services

Executive Summary

Senate Bill 237 (2019) required the Utah Department of Health (UDOH), in consultation with the Department of Human Services (DHS), to develop a proposal for reimbursing an individual's family members for personal care services that constitute extraordinary care. The Departments sought feedback from parents, spouses, and other stakeholders and performed a review of other states' statutes, policies and programs.

The Departments identified several significant policy questions and issues, including:

- Discussing rationale for compensating legally responsible caregivers
- Defining extraordinary care
- Defining which waiver services could qualify
- Mitigating the potential for fraud, waste and abuse of Medicaid funding
- Placing limits on the number of hours/reimbursement for providing extraordinary care

Through this process, the Departments identified multiple options, each requiring significant policy decisions and funding. Therefore, rather than providing a single proposal, this report outlines multiple options for state policymakers to consider based on coverage of different populations. The options include utilization estimates and potential additional cost to the Medicaid program and options for placing limits on the time or budget associated with compensation of legally responsible caregivers.

The full report provides additional detail about each of these options.

Option 1: Compensating Parents of Adult Children

General Fund Impact Range: \$6,348,900 - \$25,395,600

Option 2: Compensating Spouses of Program Participants

General Fund Impact Range: \$1,587,200 - \$6,348,900

Option 3: Compensating Parents of Children Aged 13-18

General Fund Impact Range: \$2,380,800 - \$9,523,300

Option 4: Compensating Parents of Children Aged 0-18

General Fund Impact Range: \$4,761,700 - \$19,046,700

The Departments appreciate the opportunity to review this policy question and look forward to additional discussion with policymakers about potential ways these options could be implemented.

I. Introduction

During the 2019 General Legislative Session, Senate Bill 237 passed. This bill states:

(2) The department shall:

- (a) develop a proposal to allow the state Medicaid program to reimburse an individual who provides personal care services that constitute extraordinary care to the individual's family member who is enrolled in an existing waiver in the state; and
- (b) before November 30, 2019, report to the Social Services Appropriations Subcommittee and the Health and Human Services Interim Committee regarding the proposal described in this Subsection (2) and any recommendations for implementation of the proposal.

(3) In developing the proposal described in Subsection (2), the department shall:

- (a) review statutes, policies, and programs in other states relating to reimbursement to an individual who provides personal care services that constitute extraordinary care to the individual's family member; and
- (b) consult with:
 - (i) the Department of Human Services; and
 - (ii) other stakeholders, as determined by the department.

UDOH, in consultation with DHS, reviewed practices in other states and consulted with stakeholders on this issue. The process identified multiple options for reimbursing an individual's family members for personal care services that constitute extraordinary care. Each of these options would require significant policy decisions and funding. Therefore, rather than providing a single proposal, this report outlines multiple options for state policymakers to consider if they want Medicaid to reimburse legally responsible family members for this care.

Legally responsible caregivers are defined as a program participant's spouse or participant's parent if the participant is a minor child.

The report describes historic and current regulatory environments, and discusses policy considerations associated with compensating legally responsible caregivers as well as financial estimates associated with compensation options.

II. Historic and Current Regulatory Environment

Historically, legally responsible caregivers have been excluded from Medicaid compensation based on a general presumption that legally responsible individuals may not be paid for support that they are ordinarily obligated to provide¹.

¹ See Page 120, *Application for §1915(c) Home and Community-Based Waiver, Instructions, Technical Guide and Review Criteria* https://wms-mmdl.cms.gov/WMS/help/35/Instructions_TechnicalGuide_V3.6.pdf

On a federal level, the attitudes about allowing legally responsible caregivers to be compensated for caring for a loved one have changed over the years. According to a 2011 article in the journal, *Gerontologist*²,

“A sea change occurred over the past two decades in the attitudes of policymakers and public officials concerning the use of Medicaid funds to financially compensate family members who are providing “home care” to their adult relatives with long-term functional disabilities. As recently as 1985, the Health Care Financing Administration (now known as the Centers for Medicare and Medicaid Services or CMS) proposed a rule that would have banned all relatives from receiving Medicaid payments for providing personal care services. A number of states protested this proposal, preferring to preserve their discretionary authority to pay other than “legally responsible” relatives. The final CMS rule published in 1997 prohibited payments only to legally responsible relatives, that is, spouses and parents of minor children. In 2004, CMS officials determined that they had authority to approve state requests to pay legally responsible relatives in the Medicaid home and community-based service (HCBS) waiver programs. Since then, Medicaid financing and service delivery mechanisms for HCBS (enacted in the 2005 Deficit Reduction Act and the 2010 Affordable Care Act) explicitly authorize payments to family caregivers... Whether to authorize payments to family caregivers, including spouses, is now almost entirely up to state policymakers.”

Similar to policies and attitudes at the national level, historically, Utah policymakers have been reluctant to allow legally responsible caregivers to be compensated to care for their loved ones. The DHS administrative rule, R539-5-5 states: *“Parents, Guardians, or step-parents shall not be paid to provide services to the Person, nor shall an individual be paid to provide services to a spouse.”* This administrative rule has not had a substantive amendment since June 2009.

As mentioned in the *Gerontologist* article, through HCBS waiver authority, state policymakers can decide to allow legally responsible caregivers to be compensated. This authority is limited to instances of *extraordinary care* needs, though CMS allows states broad latitude to define what constitutes extraordinary care. In addition, this exception is limited to services traditionally defined as “personal care or similar services.” Personal care or similar services are those primarily focused on activities of daily living (ADLs) and instrumental activities of daily living (IADLs), such as bathing, grooming, dressing, grocery shopping, meal preparation, etc.

² <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3530315/pdf/gnr102.pdf>

A 2009 survey by the National Association of State Directors of Developmental Disabilities Services (NASDDDS) showed that at that time, six states allowed Medicaid payment to parents of minor children and 10 states allowed payment to spouses³.

III. Policy Questions

Why compensate legally responsible caregivers?

Legally responsible caregivers typically provide assistance with activities of daily living, such as eating, bathing, ambulating, and dressing, without compensation. When this care is provided to individuals with disabilities or those who are older adults, the level of assistance individuals require may extend beyond what would be considered ordinary or routine. In these cases, many caregivers report having issues such as financial hardship, reducing hours at work, and/or losing their jobs due to increased responsibilities associated with caring for their loved one. Compensating these caregivers could relieve stress associated with caring for an already vulnerable population. This type of caregiving is provided in the home or in the community.

In addition, allowing legally responsible caregivers to be compensated could help to alleviate pressures related to the current direct-care workforce shortage which is projected to become more critical in the coming years.

According to a March 15, 2019 article in *Covering Health* from the Association of Health Care Journalists⁴,

“The conundrum both in the U.S. and globally, is that there aren’t enough direct care workers to meet demand. A story in the Arizona Daily Star said the situation is a “growing crisis.” It’s a low-wage, low to no benefit and often thankless job; one that involves everything from bathing and feeding to dealing with incontinence and cognitive decline... According to the research and policy organization PHI International, more than two million home care workers across the U.S. provide personal assistance and health care support to older adults and people with disabilities in home and community-based settings...PHI experts warn that “labor force participation among women ages 25 to 64, who currently make up 73 percent of the home care workforce, will increase by only two million in the next decade, compared to 6.3 million in the previous decade. This means that despite the growth in demand for home care workers, the pool of likely applicants will be considerably smaller from 2014 to 2024 than in the previous decade.”

What services can be included?

Federal regulations allow exceptions to the legally responsible caregiver prohibition for personal care or similar services that primarily focus on assistance with ADLs and IADLs. As stated above, ADLs are defined by activities that are related to personal care, such as bathing, dressing,

³ See Page 9, *Caring Families ... Families Giving Care Using Medicaid to Pay Relatives Providing Support to Family Members with Disabilities*,

<https://dda.health.maryland.gov/pages/Developments/2015/Attachment%205%20Caring%20Families.pdf>

⁴ <https://healthjournalism.org/blog/2019/03/are-we-facing-a-crisis-in-the-direct-care-workforce/>

feeding, etc. IADLs are defined by activities related to living independently in a community, such as meal preparation, managing finances, shopping, etc. This description has the potential for broad interpretation and inclusion of a variety of HCBS. For the purposes of this report, the Departments included the following HCBS waiver services:

- Personal Care Services
- Attendant Care Services
- Supported Living Services

For states that decide to allow compensation to legally responsible caregivers, the state's Medicaid agency must include detailed information in its HCBS waiver documents to describe how services are implemented. CMS provides technical guidance to states through a document titled, *Application for §1915(c) Home and Community-Based Waiver, Instructions, Technical Guide and Review Criteria*⁵. Page 120 of this document includes the following requirements:

“To summarize, when a state provides for payment to legally responsible individuals for the provision of personal care or similar services, the services will be equivalent to services supplied by other types of providers, with some additional protections. The waiver must specify:

- *Whether payment is made to the parent(s) of minor children, spouses, or both or other (as defined by state law);*
- *The waiver personal care or similar services for which payment will be made;*
- *How the state distinguishes extraordinary care from ordinary care and any limitations of the circumstances under which payment will be authorized;*
- *Limitations on the amount of services for which payment will be made;*
- *How it is established that the provision of personal care or similar services by a legally responsible individual is in the best interests of the participant; and,*
- *How it is determined that payments are made for services rendered”*

Why does allowing compensation to legally responsible caregivers result in increased costs to the State?

The primary reason the State would experience cost increases is due to allowing Medicaid to pay for services that are currently being provided through uncompensated care.

According to a report developed by the Johns Hopkins Bloomberg School of Public Health, *Family Caregivers as Paid Personal Care Attendants in Medicaid*⁶

⁵See Page 120, *Application for §1915(c) Home and Community-Based Waiver, Instructions, Technical Guide and Review Criteria* https://wms-mmdl.cms.gov/WMS/help/35/Instructions_TechnicalGuide_V3.6.pdf

⁶ <https://www.jhsph.edu/research/centers-and-institutes/roger-c-lipitz-center-for-integrated-health-care/issue-brief-family-caregivers.html>

“Two-thirds of older adults with disabilities rely exclusively on unpaid personal care from family members or friends...”

*As it is up to states to define the particular circumstances under which relatives will be paid to furnish services to participants within the broad parameters of Federal policy, **the payment of family caregivers by Medicaid raises several important questions for states regarding how to structure consumer directed personal care services.** The first challenge relates to oversight responsibility to ensure the quality of care that is delivered to Medicaid beneficiaries and establishing training, qualifications, or credentialing requirements that must be met by family caregivers who are hired. **Second, substitution of paid for unpaid help by family caregivers raises budgetary considerations for states due to the potential for reimbursing family caregivers for services that would have been willingly provided in the absence of payment.** Third, the blurred line between family caregiver and paid personal care attendant presents challenges for interpreting labor laws given that family caregivers may provide care both on and off the clock.”*

How do we mitigate the potential for fraud, waste and abuse?

For most services paid under Medicaid, the service provider must be enrolled through the Medicaid program and is typically licensed, certified or otherwise overseen by a state agency that verifies the veracity and fidelity of care being provided. This oversight helps to mitigate the risk of fraud, waste and abuse in the Medicaid program. Under a model that compensates legally responsible caregivers this oversight would be difficult. This is especially true for scenarios that compensate legally responsible caregivers of minor children. In order to detect fraud, waste and abuse agencies might typically consult with the care recipient to identify whether services actually occurred. In the case of minor children – the person consulted would likely be the person being compensated for the care.

In order to reduce the risk of fraud, waste and abuse, the Departments would need additional resources to establish robust oversight activities to ensure appropriate implementation of the policy. The Departments recommend defining extraordinary care in such a way as to clearly describe objective program eligibility criteria and service delivery limitations.

How to define extraordinary care?

CMS provides the following definition of extraordinary care in the guidance on HCBS waivers:

“Care exceeding the range of activities that a legally responsible individual would ordinarily perform in a household on behalf of a person without a disability or chronic illness of the same age, and which are necessary to assure the health and welfare of the participant and avoid institutionalization.”

CMS gives states broad latitude to define extraordinary care. How broadly or narrowly a state chooses to define extraordinary care will have a direct fiscal impact because the definition will

determine how many participants are likely to meet the criteria. While some states have relied solely on the federal definition, others use a more narrow definition.

The state of Kansas uses the following definition of extraordinary care⁷.

“A participant’s spouse, parent of a minor child, guardian ... or an individual acting on behalf of a participant shall not be paid to provide PCS [personal care services] for the participant except as authorized according to this policy.

- 1. A legally responsible person (participant’s spouse or participant’s parent if the participant is a minor child) is not permitted to provide PCS unless an exception has been authorized and documented by the MCO [managed care organization] in the ISP [individualized support plan].*
- 2. A guardian, conservator or [legally responsible adult] is not permitted to provide PCS unless conflict of interest has been mitigated in accordance with this policy and the Conflict of Interest policy.*
- 3. For the frail elderly program, a participant’s relative who is an employee of an assisted living facility, residential health care facility, or home plus in which the participant resides and the relative’s relationship is within the second degree of the participant may be paid to provide supports through their employer.*
- 4. If the designation of the appointed representative is withdrawn, the individual may become the participant’s paid PCS worker after the next annual review or a significant change in the participant’s needs occurs prompting a reassessment.”*

North Carolina uses the following criteria to determine when payment to a legally responsible caregiver is allowed⁸:

“When it is determined to be in the best interest of the waiver participant to have a legally responsible individual to provide personal care services, a physician’s recommendation shall be provided to the case manager outlining the specific care needs of the waiver participant and how those needs can only be provided by the legally responsible individual. In conjunction with the physician’s recommendation, an analysis of the case record is performed to evaluate the legally responsible individual’s compliance with treatment and service plans and to ensure critical incident reports did not implicate the legally responsible individual to be negligent. In addition, the physical health of the legally responsible individual is heavily considered. Payment to a legal guardian to provide in-home aide services to a waiver participant may be made when any one of the following extraordinary circumstances is met:

- 1. There are no available CNAs in the waiver participant’s county or adjunct counties through a Home Health Agency/In-Home Aide Agency due to a lack of qualified*

⁷ See Kansas Department of Aging and Disability Services (KDADS) Standard Policy for Personal Care Services (Section I (H), p.5), accessed at: https://www.kdads.ks.gov/docs/default-source/CSP/HCBS/HCBS-Policies/personal-care-services-final-1-26-2016.pdf?sfvrsn=c41e3aee_0

⁸ <https://files.nc.gov/ncdma/documents/Draft-CAPDAWaiverApplication--June2019.pdf> footnote

providers, and the waiver participant needs extensive to maximal assistance with bathing, dressing, toileting and eating daily to prevent an out-of-home placement.

2. The waiver participant requires short-term isolation, 90-days or less, due to experiencing an acute medical condition/health care issue requiring extensive to maximal assistance with bathing, dressing, toileting and eating, and the waiver participant chooses to receive care in their home instead of an institution.

3. The waiver participant requires physician-ordered 24-hour direct observation and/or supervision specifically related to the primary medical condition(s) to assure the health and welfare of the participant and avoid institutionalization, and the legal guardian is not able to maintain full or part-time employment due to multiple absences from work to monitor and/or supervise the waiver participant; regular interruption at work to assist with the management of the waiver participant's monitoring/supervision needs; or an employment termination.

4. The waiver participant has specialized health care needs that can be only provided by the legal guardian, as indicated by medical documentation, and these health care needs require extensive to maximal assistance with bathing, dressing, toileting and eating to assure the health and welfare of the participant and avoid institutionalization.

5. Other documented extraordinary circumstances not previously mentioned that places the waiver participant's health, safety and well-being is in jeopardy resulting in an institutional placement.”

One of the primary concerns when considering parents providing care to minor children, is how to exclude from reimbursement, care provided by parents that would be typical for children without a significant disability.

To address this concern, the report includes an option that would limit reimbursement to care of children 13 years of age or older. Through this option, the Departments attempt to address the fact that there is significant variability in the level of assistance parents provide to younger children 12 and under, and that the varying levels of assistance required from one young child to another, could all be considered to be within normal limits based on a variety of factors. This option suggests that it is truly when a child moves into adolescence that an expectation of a greater level of autonomy comes into play. (See Option 3 on Page 11)

How do we protect against caregiver burnout?

While family caregivers are typically already providing uncompensated care to their family members, there is still a high potential to increase the risk of caregiver burnout for family caregivers. This is especially true in cases where newly compensated care supplants existing supports (increasing the amount of care being provided). Additionally, because family members are typically the back-up caregiver when a paid provider is unable to staff a shift, an increased

reliance on family caregivers has the potential to weaken the backup care in place for program participants.

One option policymakers could consider is allowing legally responsible caregivers to provide services only in situations when the services cannot be staffed by other agencies/traditional providers.

Should we impose limits on compensation or time that can be provided under extraordinary care?

Placing limits on the amount of time that can be authorized, or the total budget amount allocated to services paid to legally responsible caregivers can limit the potential impact of fraud, waste and abuse, and limit the potential for caregiver burnout. However, determining the proper limits can be difficult to do in broad terms and will likely depend primarily on the individual situation and needs of the program participant.

The Departments recommend that any language granting the Departments authority to compensate legally responsible caregivers also grant authority to limit the amount of time and/or budget associated with that compensation.

Results of Stakeholder Input Sessions

As part of the research required in Senate Bill 237, DHS convened two stakeholder focus groups. Stakeholders included parents of individuals receiving services and self-advocates. During these sessions, DHS sought feedback on a variety of topics related to compensating legally responsible caregivers.

Following are some general themes that emerged from the discussions.

- *Could improve access to needed services*
 - Stakeholders expressed that for a variety of reasons, finding reliable providers was difficult. Stakeholders also expressed challenges such as paid caregivers simply not showing up as scheduled. If legally responsible caregivers were allowed to provide some of the paid services, stakeholders believe individuals would have better access to needed services.
- *Could help to reduce financial stress on the family*
 - Having a family member with a significant disability can result in caregivers' need to reduce hours worked or quit their jobs altogether. Stakeholders generally stated that while reimbursement under this policy would not address every financial issue, it would help to provide some relief to families.
- *Could result in a higher level of satisfaction for the waiver participant*
 - ADL tasks such as bathing, dressing and assistance with using the bathroom are private and sensitive. Stakeholders expressed the idea that having services provided by a family member, who knows the participant well, would increase the individuals' level of comfort when receiving assistance.
- *Could have risks associated with caregiver burnout and increased potential for abuse or neglect*

- Stakeholders expressed the importance of the caregiver and the participant needing time away from one another and that without the ability to have a break from caregiving, there could be a potential risk for abuse or neglect.
- *Could increase the likelihood of waste, fraud and abuse of Medicaid funds*
 - Stakeholders described a belief that when policies like this are instituted, there could be a select group of individuals who try to “work the system” to receive more reimbursement than they are entitled to receive. Stakeholders believe that prevention strategies and additional oversight could be put in place to decrease these risks and that the positives of the policy far outweigh the negatives.
- *Properly defining extraordinary care would be important to the success of the policy*
 - Stakeholders generally expressed liking the broad CMS definition of extraordinary care, but agreed that the definition could result in a variety of interpretations.
 - Stakeholders expressed concern that if state agencies defined care too narrowly, it would result in little change from the current delivery system, and much of the work would still be uncompensated.
 - Stakeholders also suggested that if a broad definition of extraordinary care was used, they would understand that the policy would need to include a variety of limitations, such as number of hours worked during a week, and that caregivers cannot also be the person who would oversee/manage/verify the delivery of services.

Stakeholder Survey Results

In preparing this study, DHS surveyed families of current in-home service recipients which resulted in 496 responses. The age of the individual receiving services and the relationship to that person are as follows:

Family Caregiver Compensation Survey Responses By Relationship & Age Group

Relationship	Number	12 Years & Younger	13 to 17 Years	18 Years or Older
Parent	444 89.5%	71 14.3%	87 17.5%	286 57.7%
Spouse	3 0.6%	N/A	N/A	3 0.6%
Child/Sibling/Other	49 9.9%	0	3 0.6%	46 9.3%
Grand Total	496 100%	71 14.3%	90 18.1%	335 67.5%

When asked, how likely respondents would be to participate in a caregiver compensation program, 72.8 to 88.7 percent indicated they were likely to participate. The table below shows the likelihood of participation by age group of the person in DHS Division of Services for Persons with Disabilities (DSPD) services.

Likelihood of Family Caregiver Participation by Age of Person in Services

Age Group	Likely	Not Likely	Not Sure
12 Years & Younger	88.7%	5.6%	5.6%
13 to 17 Years	80.0%	1.1%	18.9%
18 Years or Older	72.8%	12.9%	14.4%

Among those who would likely participate, respondents reported a reasonable hourly wage would be \$15.76 on average and they would likely spend 30.9 average hours per week delivering the service. Likely participants (n = 379) indicated a disruption in their employment history as a result of providing care to the person in DSPD services. This includes 53.0% ever having to terminate employment and 81.3% ever having to reduce their employment hours. Conversely, 59.9% of likely participants are currently managing to maintain participation in the workforce albeit at reduced hours. Among likely participants who are currently employed (n = 227), 36.1% report they would likely leave their employer if compensated caregiving became available.

Policy Options

The Departments have evaluated various options that could be considered and included a discussion of how that policy could be implemented as well as the potential fiscal impact. Each option would require an amendment to existing waivers and to DHS administrative rule R539-5. The fiscal impact of each policy option is specific to that option. If Utah policymakers were interested in implementing multiple options, the fiscal impact would be additive (with the exception of Option 4 since it includes the costs and enrollment of Option 3 in its figures).

Option 1: Compensating Parents of Adult Children

Because a parent of an adult child is not considered to be a legally responsible caregiver, Option 1 would allow parents to provide personal care services to their adult children as long as they met the provider training and other qualifications as defined in the waiver.

Even though they may not be legally responsible, parents often provide uncompensated care to their adult children living at home, or other locations in the community. In order to mitigate the risk of potential fraud, waste or abuse, the Departments recommend that limits still be implemented on total time and/or compensation associated with these services.

While adult participants living at home typically receive 15-20 hours per week of additional supports, stakeholders have expressed significant interest in accessing this option beyond the hours already authorized. Based on AARP survey data on uncompensated care from 2015 we believe that spouses and other family members may be providing an average of 25 hours per

week of uncompensated care that would be potentially eligible for compensation under this option.⁹

Table 1 shows a range of estimates for the fiscal impact based on varying averages of hours of care to be compensated. The high and low estimates come from the AARP survey data showing that the typical caregiver provides between 10 and 25 hours of uncompensated care a week, or between 25 and 40 hours per week for individuals with particularly high needs (See table 1).

Table 1 - Fiscal Impact for Compensating Parents of Adult Children

Range	Participants	Hours per		Agency Cost	Federal Funds	General Funds
		Week				
Low	2,000	10		\$19/hr	\$13,411,112.00	\$6,348,888.00
Mid	2,000	25		\$19/hr	\$33,527,780.00	\$15,872,220.00
High	2,000	40		\$19/hr	\$53,644,448.00	\$25,395,552.00

*Agency cost for all options was calculated as follows:
 \$15 hourly rate (about 70% of the full agency rate because we assume these will be Self-Administered Services)
 + 15% for Employer FICA, Workers Comp, etc.
 + 10% for Agency Administrative Costs
 = \$19.00/hour

Option 2: Compensating Spouses of Waiver Participants

This option recognizes that spouses are not typically expected to assist their partner with tasks such as bathing, feeding, etc. As such, there is a strong argument that these tasks are “extraordinary” in nature. In order to mitigate the risk of potential fraud, waste or abuse, the Departments recommend that limits still be implemented on total time and/or compensation associated with these services.

Spouses currently provide uncompensated care above and beyond what is authorized in a waiver participant’s PCSP. Estimates of fiscal impact (See Table 2) are based on the same AARP survey data used in Option 1. Any limits imposed on the time or budget associated with this option could further control costs.

Table 2 - Fiscal Impact for Compensating Spouses

Range	Participants	Hours per Week	Agency Cost*	Federal Funds	General Funds
Low	500	10	\$19/hr	\$3,352,778.00	\$1,587,222.00
Mid	500	25	\$19/hr	\$8,381,945.00	\$3,968,055.00
High	500	40	\$19/hr	\$13,411,112.00	\$6,348,888.00

⁹ AARP Public Policy Institute (2015) Caregiving in the U.S. Accessed at: <https://www.aarp.org/content/dam/aarp/ppi/2015/caregiving-in-the-united-states-2015-report-revised.pdf>

Option 3: Compensating Parents of Children Age 13-17

This option recognizes that children in this age group are typically expected to be able to perform ADLs and IADLs for themselves and that when a parent is required to perform the tasks it constitutes “extraordinary” care. In order to mitigate the risk of potential fraud, waste or abuse, the Departments recommend that limits still be implemented on total time and/or compensation associated with these services.

Estimates of fiscal impact (See Table 3) are based on the same AARP survey data used in Option 1. Any limits imposed on the time or budget associated with this option could further control costs.

Table 3 - Fiscal Impact for Compensating Parents of Children 13-18

Range	Participants	Hours per Week	Agency Cost	Federal Funds	General Funds
Low	750	10	\$19/hr	\$5,029,167.00	\$2,380,833.00
Mid	750	25	\$19/hr	\$12,572,917.50	\$5,952,082.50
High	750	40	\$19/hr	\$20,116,668.00	\$9,523,332.00

Option 4: Compensating Parents of Children 0-18

This option is potentially the most difficult option to implement effectively. Each child’s situation would need to be evaluated to identify the specific ADL or IADL needs they had and whether those needs could be performed by a typical child of that age. If agency staff are able to verify that the care needs of the child exceed the typical care needs for children of that age care could be considered “extraordinary.” In order to mitigate the risk of potential fraud, waste or abuse, the Departments recommend that limits still be implemented on total time and/or compensation associated with these services.

Estimates of fiscal impact (See Table 4) are based on the same AARP survey data used in Option 1. Any limits imposed on the time or budget associated with this option could further control costs.

Table 4 - Fiscal Impact for Compensating Parents of Children 0-18

Range	Participants	Hours per Week	Agency Cost	Federal Funds	General Funds
Low	1,500	10	\$19/hr	\$10,058,334.00	\$4,761,666.00
Mid	1,500	25	\$19/hr	\$25,145,835.00	\$11,904,165.00
High	1,500	40	\$19/hr	\$40,233,336.00	\$19,046,664.00