



Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Secretary

March 2, 2022

The Honorable Guy Guzzone Chair
Senate Budget and Taxation Committee
3 West Miller Senate Office Building
Annapolis, MD 21401

**RE: SB 636 – Maryland Department of Health – Waiver Programs – Waitlist Reduction
(End the Wait Act) - Letter of Information**

Dear Chair Guzzone and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information for Senate Bill (SB) 636 – Maryland Department of Health - Waiver Programs - Waitlist Reduction (End the Wait Act).

SB 636 requires MDH to develop a plan to reduce the waitlist for eight (8) waiver programs by 50% in Fiscal Year (FY) 2024. The plan should include measures to attract and retain providers, any needed changes to reimbursement rates, and an estimated implementation cost. MDH must submit the plan on or before January 1, 2023.

MDH anticipates expenditures to implement the plan required by the bill will exceed hundreds of millions of dollars due to enhanced staffing needs, increased administrative processing costs, and service-related costs driven by enhanced waiver enrollment. For example, in order to expand just one of the eight waiver programs specified in the bill, the Home- and Community-Based Services Waiver (HCBW), to 7,500 participants (which is less than 50% of the current wait list) the total projected cost for FY23 is \$77.9 million (\$38.9 million State general funds, \$38.9 million federal funds). Based on retention of existing enrollees and year over year annual growth of 576 new enrollees, costs will compound beginning in FY24. Expected costs for subsequent fiscal years are as follows:

- FY24: \$169.3 million (\$84.65 million State general funds, \$84.65 million federal funds)
- FY25: \$194.8 million (\$97.4 State general funds, \$97.4 million federal funds)
- FY26: \$220.4 million (\$110.2 State general funds, \$110.2 million federal funds)
- FY27: \$246 million (\$123 million State general funds, \$123 million federal funds)

The total cost of implementing SB 636 is indeterminate, however MDH projects it will cost hundreds of millions of dollars each year.

If you have any questions, please contact Heather Shek, Director of Governmental Affairs, at heather.shek@maryland.gov or (410) 260-3190.

Sincerely,

A handwritten signature in cursive script that reads "Dennis R. Schrader".

Dennis R. Schrader
Secretary