



## DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

March 8, 2024

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

**RE: SB 988 – Maryland Medical Assistance Program – Self-Directed Mental Health Services – Pilot Program – Letter of Concern**

Dear Chair Beidle and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of concern for Senate Bill (SB) 988 – *Maryland Medical Assistance Program – Self-Directed Mental Health Services – Pilot Program*.

SB 988 requires the Maryland Medical Assistance Program to administer a three year long self-directed mental health services pilot program. The pilot must facilitate access to clinically appropriate, person-centered, culturally responsive and trauma-informed self-directed services in an integrated community-based setting to meet the needs of pilot participants. The bill further requires the Governor to appropriate \$1 million for each of the fiscal years from FY26 through FY28 for the implementation of the pilot program. Subject to approval by the Centers for Medicare and Medicaid Services (CMS), these funds would be eligible for a 50% federal match for a total annual budget of \$2M annually. SB 988 also requires the Department to submit a report to the Governor on the findings and recommendations from the pilot program on or before November 1, 2028.

*Pilot Population Eligibility, MDH Responsibilities, Fixed Cost Estimates*

SB 988 requires that the Department identify 100 adult Medicaid beneficiaries with behavioral health needs and who may benefit from receiving self-directed services to participate in the pilot program. Medicaid participants who are excluded from Assertive Community treatment - or other services offered in the public behavioral health system; have multiple disabilities; have severe mental illnesses with trauma related disorders, have cultural needs that are unserved in the public health system; or are at risk of institutionalization are required to be prioritized in the pilot program. In addition, MDH is required to consult stakeholders and provide training materials to service agencies and community providers that address the self-directed model of services as well as provide a coordinator to educate the participants on available models and services to assist the participants in making an informed decision.

Designing, implementing, and evaluating the Mental Health Self Direction Pilot (the Pilot) will require substantial fixed costs including: additional staffing and modifications to increase Fiscal Management Contract Services (FMCS); as well as, funding to complete the required match-pairs evaluation of the Pilot. The fiscal impact of fixed costs associated with implementing SB 988 will be \$3.65 million TF (\$1.83 million GF, \$1.83 million FF) over 5 years from FY25 through FY29.

*Pilot Participant Self-Directed Budgets*

In order to determine the amount of the \$2M budget that would remain and be used for participant's self-directed services budget, MDH divided the remaining appropriate budget across 100 pilot participants after deducting the expected fixed costs. MDH notes that the annual per person funding available through the Pilot would be substantially less than the per person cost for individuals enrolled in the Developmental Disabilities Administration (DDA) Home and Community-Based Services (HCBS) Self-Directed Waiver. Additionally, MDH notes that SB 988 would require provision of two services that are not a feature of the DDA HCBS Self-Directed Waiver: Peer Respite and Rental Assistance. Based on this analysis, the average annual personal budget per Pilot participant would be \$10,605.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at [sarah.case-herron@maryland.gov](mailto:sarah.case-herron@maryland.gov) or (410) 260-3190.

Sincerely,



Laura Herrera Scott, M.D., M.P.H.  
Secretary