



DEPARTMENT OF HEALTH

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

March 6, 2024

The Honorable Joseline A. Peña-Melnyk
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

Re: HB 822 – Maryland Medical Assistance Program – Employed Individuals With Disabilities – Letter of Support with Amendments

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (Department) respectfully submits this letter of support with amendments for House Bill (HB) 822 – Maryland Medical Assistance Program – Employed Individuals With Disabilities. HB 822 would make a significant number of changes to the Employed Individuals with Disabilities (EID) Program beginning on January 1, 2025.

In collaboration with stakeholders, the Department has made significant changes to the EID program, many of which are codified by portions of this bill. These changes greatly expand the individuals who can now qualify for the program. They also eliminate previous barriers that may have prevented individuals from getting married, by eliminating spousal income and asset tests for eligibility purposes. Specifically, effective January 1, 2024, the Department enacted changes to the EID Program (1) lowering the eligibility age from 18 to 16, (2) eliminating the income requirement and disregarding all retirement accounts for participants, (3) creating the flexibility of an Independence Account for participants, (4) disregarding spousal income and assets as part of applicant eligibility, and (5) setting new premium levels for higher-income recipients. The Department is supportive of promulgating these recent expansions into statute and have submitted amendments to ensure that the statute matches the work we have done.

However, the Department notes that there are elements of HB 822 as currently drafted that require additional program changes which will have a significant fiscal impact. For example, expanding the EID program to those ages 65 and above would require approximately \$1.2 million total funds (\$660,000 in state general funds) per year and would require an expansion of existing staffing to operationalize. Other provisions, such as requiring premium contributions to be based solely on an applicant's earned and unearned income, would have an indeterminate but significant impact and create inequities for married couples in other Medicaid programs.

Additionally, under federal law, an individual is prohibited from being simultaneously enrolled in two Medical Assistance coverage groups. As a result, we recommend striking that language to conform with federal statutory requirements.

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 or (410) 260-3190.

Sincerely,

A handwritten signature in blue ink, appearing to read "LH Scott", enclosed in a light blue rectangular border.

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

In the House Health and Government Operations Committee:

AMENDMENTS TO HOUSE BILL 822
(First Reading File Bill)

On Page 3, strike beginning with “, INCLUDING” in line 8 down through “SERVICES” in line 11, inclusive.

Rationale: While the Department is dedicated to ensuring coverage transitions for enrollees are not disruptive, under federal law, an individual is prohibited from being simultaneously enrolled in two Medical Assistance coverage groups.

In lines 22 and 23, strike beginning with “THAT” in line 22 down through “INCOME” in line 23, inclusive.

Rationale: As noted above, this change would have an indeterminate but significant impact and create inequities for married couples in other Medicaid programs

In lines 29 and 30, strike “THE APPLICANT OR” in line 29 and in line 30 strike “, INCLUDING:” and replace with “;”

Rationale: This amendment conforms to current policy to disregard assets or resources held exclusively by the spouse.

After line 30, add “(III) ANY RETIREMENT ACCOUNTS OR INDEPENDENCE ACCOUNTS OF THE APPLICANT.”

Rationale: This amendment conforms to the current policy to disregard all retirement accounts for participants.

On page 4, strike in their entirety lines 1 through 5, inclusive, and in line 6, strike (3) and substitute “(2)”.

Rationale: As noted in our letter, expanding the EID program to those ages 65 and above would require approximately \$1.2 million total funds (\$660,000 in state general funds) per year and would require an expansion of existing staffing to operationalize.