

Department of Legislative Services
Maryland General Assembly
2004 Session

FISCAL AND POLICY NOTE

House Joint Resolution 3 (Delegate Marriott, *et al.*)
Rules and Executive Nominations

**Transitional Emergency Medical and Housing Assistance Program - Deficiency
Appropriation**

This joint resolution urges the Governor to allow new applicants to the Transitional Emergency Medical and Housing Assistance Program (TEMHA) and make funds available to the program by transferring funds from other programs or by including a deficiency appropriation for fiscal 2004 in the fiscal 2005 State budget.

Fiscal Summary

State Effect: Compliance with this joint resolution could increase general fund expenditures by an estimated \$5.6 million in FY 2005 if the Department of Human Resources (DHR) begins accepting new TEMHA applications in FY 2004 and a FY 2004 deficiency appropriation to cover the cost is made in the FY 2005 budget. Revenues would not be affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: None applicable.

Background: On December 15, 2003, DHR stopped accepting new TEMHA applications for the remainder of fiscal 2004 because DHR projected that fiscal 2004 program expenditures would exceed its \$19.4 million appropriation. TEMHA is a capped entitlement that provides medical, housing, and other services to low-income disabled

adults who are ineligible for other assistance. A class action lawsuit was filed January 23, 2004 to require DHR to continue accepting new applications in fiscal 2004. On February 6, 2004, a Baltimore circuit judge ruled that DHR could continue prohibiting new TEMHA applicants until a final decision on the lawsuit was reached. DHR will begin accepting new TEMHA applicants in fiscal 2005.

A person is eligible for TEMHA if the person is: (1) a U.S. citizen, a Maryland resident, and resident of the local jurisdiction; (2) unemployed; (3) financially in need; (4) has an impairment for at least three months; (5) ineligible for cash assistance where there is federal financial participation except that the person has applied for Social Security Disability Insurance (SSDI) or Supplemental Security Income (SSI) and may be eligible for TEMHA while their SSDI or SSI application is being processed; and (6) not receiving benefits from other government cash assistance programs. A person who is a caretaker relative who lives with a minor child and meets eligibility requirements for cash assistance is ineligible for TEMHA.

An eligible client may not receive TEMHA for more than 12 months in a 36-month period unless the client has been certified as medically disabled or accepted by the Disability Entitlement Advocacy Program which continues to pursue the case and has a pending SSI application which was not withdrawn or finally denied. To remain eligible for TEMHA, a client who is potentially eligible for SSI or any other benefit must apply for that benefit and provide all the requested information to determine eligibility.

TEMHA eligibility may be suspended or terminated if the client does not meet the eligibility or needs requirements, leaves the State temporarily and for more than one month, or refuses to cooperate with a quality control review.

State Expenditures: DHR general fund expenditures could increase by \$5.6 million in fiscal 2005 if the Governor allows DHR to accept new TEMHA applications during the last six months of fiscal 2004 and a deficiency appropriation for fiscal 2004 is made in the fiscal 2005 budget. This would result in an additional 2,564 total average cases in fiscal 2004 on top of the 11,503 total average cases with a \$182 average monthly payment TEMHA serves under the application freeze. The fiscal 2005 budget allowance is \$19.4 million to serve 12,911 average total cases with an average monthly payment of \$158.

The maximum allowable TEMHA monthly benefit is \$185.

Additional Information

Prior Introductions: None.

Cross File: SJ 7 (Senator McFadden) – Rules.

Information Source(s): Department of Human Resources, *The Baltimore Sun*,
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