

**Department of Legislative Services**  
 Maryland General Assembly  
 2004 Session

**FISCAL AND POLICY NOTE**

House Bill 1476 (Delegate Marriott)  
 Appropriations

**Public Assistance - Transitional Emergency Medical and Housing Assistance**

This bill codifies the Transitional Emergency Medical and Housing Assistance (TEMHA) program operated by the Department of Human Resources (DHR) and requires the Social Services Administration to submit a program estimate to the Governor for budgetary purposes that is at least the average number of program recipients in the prior six months multiplied by a minimum assistance level of \$185 per recipient per month. The Governor must include this amount in the proposed State budget.

**Fiscal Summary**

**State Effect:** Assuming the bill applies to the FY 2005 budget, general fund expenditures could increase by \$5.3 million in FY 2005. Future year expenditures reflect annualization and a stable caseload. Special fund revenues could increase by \$1.1 million beginning in FY 2007 to reflect Supplemental Security Income (SSI) reimbursements.

(\$ in millions)	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
SF Revenue	\$0	\$0	\$1.1	\$1.5	\$1.5
GF Expenditure	5.3	7.1	7.1	7.1	7.1
Net Effect	(\$5.3)	(\$7.1)	(\$6.0)	(\$5.6)	(\$5.6)

*Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect*

**Local Effect:** None.

**Small Business Effect:** None.

## Analysis

**Current Law:** TEMHA is not included in State statute.

**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 \$24.4 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 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 Revenues:** Special fund revenues could increase by an estimated \$1.1 million in fiscal 2007 reflecting SSI reimbursement of 20.5% of expenditures from fiscal 2005. It typically takes DHR 22 months to receive the SSI reimbursement. SSI reimbursements are estimated at \$1.5 million annually beginning in fiscal 2008.

**State Expenditures:** The proposed fiscal 2005 State budget includes \$24.4 million for TEMHA, of which \$6.1 million is for assistance payments for the first three months of

the fiscal year. Pursuant to this legislation, general fund expenditures would total \$29.7 million in fiscal 2005 and \$31.5 million annually beginning in fiscal 2006. Accordingly, general fund expenditures could increase by an estimated \$5.3 million in fiscal 2005, which accounts for the bill's October 1, 2004 effective date and \$7.1 million on an annualized basis. This estimate reflects 14,205 individuals receiving assistance each month at \$185 per month. Future year expenditures assume a stable number of cases and a constant general fund appropriation for TEMHA absent this bill.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Human Resources, Department of Health and Mental Hygiene, Department of Legislative Services

**Fiscal Note History:** First Reader - March 23, 2004  
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Analysis by: Lisa A. Daigle

Direct Inquiries to:  
(410) 946-5510  
(301) 970-5510