

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 26
Finance

(Senators Augustine and Hester)

Health and Government Operations

Maryland Medical Assistance Program, Maryland Children's Health Program,
and Workgroup on Low-Income Utility Assistance

This bill requires the Maryland Department of Health (MDH), by January 1, 2025 (subject to the limitations of the State budget and as permitted by federal law), to establish an Express Lane Eligibility (ELE) Program to enroll individuals in Medicaid and the Maryland Children's Health Program (MCHP) based on eligibility findings by the Supplemental Nutrition Assistance Program (SNAP). The bill also requires the Workgroup on Low-Income Utility Assistance to submit a final report on its study, findings, and recommendations, including recommended legislation and regulatory changes, to the Senate Finance Committee and the House Economic Matters Committee by January 1, 2024.

Fiscal Summary

State Effect: Any impact on MDH revenues and expenditures to implement an ELE Program is indeterminate. The workgroup can submit a final report using existing budgeted resources.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: As part of the ELE Program, MDH may not consider any other income or eligibility requirements. To the extent that a waiver is needed to maximize the number of individuals who may qualify for the program, MDH must apply for one or more federal

§ 1115 waivers to implement the program. MDH must make all reasonable efforts to expedite enrollment of eligible individuals in the program. MDH may propose or implement the use of ELE for renewals before proposing or implementing the use of ELE for initial enrollment.

Current Law:

Express Lane Eligibility

The federal Children's Health Insurance Program Reauthorization Act of 2009 created an ELE option that permits states to rely on eligibility findings from other need-based programs (including SNAP) to make Medicaid and/or Children's Health Insurance Program (CHIP) eligibility and renewal determinations. The option is intended to reduce administrative burden, diminish churn, and improve customer service. This option does not apply to adults.

State Medicaid agencies using ELE must ensure that individuals enrolled in SNAP have submitted appropriate documentation to establish their status as citizens, nationals, or qualified aliens, in accordance with the applicable documentation requirements. Medicaid agencies are not permitted to borrow eligibility findings with respect to citizenship from other agencies. The federal Centers for Medicare and Medicaid Services has indicated that these requirements are not subject to waiver.

Medicaid and the Maryland Children's Health Program

Medicaid is a comprehensive health insurance program for indigent and medically indigent individuals. Covered services in Maryland include inpatient and outpatient hospital, pharmacy, physician care, nursing facility, behavioral health, medical day care, dental, and various home- and community-based services.

Recipients of Temporary Cash Assistance (TCA) or Supplemental Security Income (SSI) benefits automatically qualify for Medicaid. Children in foster care are also automatically eligible. Individuals who were in foster care on their eighteenth birthday are eligible until age 26 regardless of income. Other individuals qualify based on their income or due to an inability to pay extraordinary medical bills resulting from a catastrophic illness or extended nursing home or hospital stay. Residents of Maryland who are U.S. citizens, meet qualifying immigration statuses, and have lived in the United States for at least five years, or who otherwise qualify, must meet one of the following conditions: younger than age 65; disabled; blind; younger than age 21; caring for a related child in the home; pregnant; or parents of an unmarried child younger than age 21, as well as certain income limitations. Certain elderly individuals may also be eligible for assistance under Medicaid as well as Medicare.

MCHP provides comprehensive health insurance coverage to uninsured low-income children from birth up to age 19 living in households with incomes above the Medicaid eligibility limit but at or below 211% federal poverty guidelines (FPG). MCHP enrollees in households with incomes above 211% FPG but below 322% FPG are eligible for premium plans in which a family must pay a monthly premium of about 2% of family income (\$61 or \$76, depending on the household income).

The federal Consolidated Appropriations Act, 2023, among other things, requires all state Medicaid and CHIP agencies to provide up to 12 months of continuous eligibility for children by January 1, 2024. This guarantees full-year Medicaid/MCHP coverage for eligible Maryland children up to age 19. MDH is currently reviewing system requirements for implementing continuous eligibility, with a tentative start date of August 2023.

Supplemental Nutrition Assistance Program

SNAP assists low-income households to purchase food. Households receiving or authorized to receive TCA, SSI, Temporary Disability Assistance Program, Public Assistance to Adults, or Temporary Assistance for Needy Families-funded services or benefits (including certain brochures) are categorically eligible for SNAP.

Most noncategorically eligible households must meet both a gross income test (130% FPG) and a net income test (100% FPG). If the noncategorically eligible household includes an elderly person or a person who is disabled, only the net income test must be met. Deductions from gross income include 20% of earned income, a standard deduction (in federal fiscal 2023, this deduction is \$193 for a three-person household), a dependent care deduction, certain medical expenses for elderly or disabled household members, housing costs in excess of 50% of adjusted net income, and legally owed child support expenses.

Workgroup on Low-Income Utility Assistance

Chapters 638 and 639 of 2021, among other things, established a Workgroup on Low-Income Utility Assistance, staffed by the Department of Human Services (DHS), to examine the forms of federal, State, local, and private assistance available to low-income residential electric and natural gas customers. The workgroup must study:

- the different systems and forms of financial assistance available to low-income electric and natural gas customers in the State from federal, State, local, and private sources, especially the Electric Universal Service Program and the Maryland Energy Assistance Program;
- inefficiencies and gaps in the availability, qualification, and processing of applications for and delivery of financial assistance to low-income electric and natural gas customers;

- the feasibility of establishing a new natural gas universal service program or the expansion of existing programs to cover low-income natural gas customers, including the characteristics of any new or expanded program;
- coordination of benefits under existing financial assistance programs for low-income electric and natural gas customers and means to improve coordination so as to extend and enhance the effectiveness of these programs;
- anticipated short-term and long-term demand for financial assistance for low-income electric and natural gas customers in the wake of COVID-19 and systemic economic inequities, particularly in disadvantaged communities;
- the feasibility of establishing one or more financial assistance programs for small businesses in low-income communities; and
- any other matter the workgroup considers relevant and helpful to addressing the needs of low-income utility customers.

The Acts required the workgroup, by January 1, 2022, to submit a report of its study, findings, and recommendations, including recommended legislation and regulatory changes, to the Senate Finance Committee and the House Economic Matters Committee. The workgroup submitted a [report](#) in December 2021 that noted that the workgroup would continue to meet.

State Fiscal Effect: MDH advises that, subject to budget approval, the department can implement an ELE Program similar to that in Massachusetts. Massachusetts' Medicaid program, MassHealth, partners with SNAP to renew coverage for children and other members of the SNAP household up to age 65 who are already enrolled in Medicaid and/or CHIP through a data matching process. The SNAP eligibility decision is used to verify ongoing residency in the state and serves as a proxy for income at renewal. Medicaid benefits are renewed based on the child's eligibility for SNAP. Parents and legal caretaker relatives who are part of the same household group are included in this process and also have their Medicaid coverage renewed if they are eligible for SNAP.

To implement an ELE Program, MDH must develop new data use agreements in partnership with DHS. Any impact of an ELE Program on Medicaid revenues and expenditures (and renewal outcomes) cannot be reliably estimated at this time. However, any new costs would be subject to a federal matching rate of 61%.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 111 (Delegate Charkoudian, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Department of Health; Department of Human Services; Public Service Commission; Department of Legislative Services

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