

Department of Legislative Services  
 Maryland General Assembly  
 2025 Session

FISCAL AND POLICY NOTE  
 First Reader

House Bill 430 (Delegate Cullison)  
 Health and Government Operations

**Employed Individuals With Disabilities Program - Upper Age Limit - Prohibition**

This bill prohibits the Maryland Department of Health (MDH) from establishing an upper age limit on eligibility to receive services in the Employed Individuals with Disabilities (EID) program.

**Fiscal Summary**

**State Effect:** Medicaid expenditures increase by an estimated \$2.9 million in FY 2026 (50% general funds, 50% federal funds) to expand eligibility for the EID program to individuals aged 65 and older. Federal fund revenues increase accordingly. Future years reflect annualization, enrollment growth, and inflation. **This bill increases the cost of an entitlement program beginning in FY 2026.**

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
FF Revenue	\$1,453,600	\$1,979,400	\$2,058,400	\$2,140,400	\$2,225,100
GF/FF Exp.	\$2,907,200	\$3,958,900	\$4,116,800	\$4,280,900	\$4,450,300
Net Effect	(\$1,453,600)	(\$1,979,400)	(\$2,058,400)	(\$2,140,400)	(\$2,225,100)

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

**Local Effect:** None.

**Small Business Effect:** None.

**Analysis**

**Current Law:** The EID program is a Medicaid buy-in program for workers with disabilities who would be ineligible for Medicaid because of their earnings. To qualify for the EID program, an individual must be (1) between age 16 and 64; (2) be a U.S. citizen or

meet immigration status requirements; (3) have a disability that meets Social Security's medical criteria; (4) be working for pay; and (5) meet the asset limit.

Per Chapter 846 of 2024, MDH must (1) provide EID services to qualified applicants, including existing Medicaid recipients, who are at least 16 years old; (2) for initial applications for EID program services, accept documents to verify income and resources that are dated up to 30 days before the date the application is received; (3) transition Medicaid recipients who become eligible for the EID program in a manner that is least disruptive to the recipient's access to services; (4) ensure that the application process for the EID program, to the extent authorized by the federal Centers for Medicare and Medicaid Services (CMS), provides maximum flexibility and plain language information for applicants, as specified; and (5) establish a premium contribution for EID services.

MDH may not limit eligibility to receive EID program services based on (1) the earned or unearned income of the applicant or the applicant's spouse; (2) any assets or resources of the applicant's or recipient's spouse that are not joint assets for a recipient; (3) any retirement account assets or resources for an applicant or a recipient; or (4) any assets or resources in an independence account.

MDH may not establish as a prerequisite that an applicant apply for Social Security Disability Insurance benefits when the applicant does not receive the benefits and has earnings that are above the substantial gainful activity level established by the U.S. Social Security Administration. Subject to these provisions, MDH may adopt regulations that develop specific eligibility criteria for participation in the EID program.

MDH must (1) meet with a State-based coalition of disability advocates twice a year to receive feedback on and discuss any needed changes to the EID program and (2) request feedback from the coalition before providing any information or materials on the EID program to the public.

Chapter 846 also required MDH, by December 1, 2024, to report to specified committees of the General Assembly on the fiscal and operational impact of, among other things, implementing an EID program that serves individuals aged 65 and older. MDH issued a [report](#) in January 2025 that reviewed the experiences of Connecticut and New Jersey, which recently expanded their programs to individuals aged 65 and older. Based on the experience of these states, Maryland estimates that 301 to 388 adults may be eligible for Maryland's EID program, which reflects greater enrollment than estimated under prior legislation. The report also noted that loss of eligibility for EID upon turning 65 was cited as a significant barrier for older disabled adults who wish to continue to work as well as a growing risk as the population ages generally.

**State Fiscal Effect:** Under the bill, MDH must eliminate the upper age limit on eligibility for EID, which is currently set at age 64. This expansion increases service costs and requires additional staff as MDH advises that the expansion must be created essentially as its own parallel EID program.

Thus, Medicaid expenditures increase by \$2,907,205 in fiscal 2026, which accounts for the bill’s October 1, 2025 effective date. This estimate reflects the cost of hiring one associate supervisor, one lead analyst, and three associates to administer the expansion for individuals aged 65 and older. It includes salaries, fringe benefits, one-time start-up costs, ongoing operating expenses, and the additional net service costs for new (or retained) enrollees. The information and assumptions used in calculating the estimate are stated below:

- Based on historic enrollment trends, recent EID program expansions, and enrollment analyses from EID expansions in Connecticut and New Jersey, MDH estimates that 342 adults aged 65 and older enroll in (or remain enrolled in) the EID program in fiscal 2026.
- Enrollment is anticipated to increase by 1.5% annually.
- Based on historical claims data (including substantial increases in claims costs incurred in recent years), each participant aged 65 and older has an estimated \$926 per month in claims for services in fiscal 2026.
- Claims costs are estimated to grow by 2.2% annually.
- Claims costs are offset by premiums collected from participants, assumed to average about \$80.37 per month.
- Thus, the net *service* costs to expand the program to individuals aged 65 and older are estimated at \$2.6 million in fiscal 2026 (reflecting nine months of service provision), increasing to \$3.6 million in fiscal 2027.

	<u><b>FY 2026</b></u>	<u><b>FY 2027</b></u>
Positions	5.0	-
Salaries and Fringe Benefits	\$267,512	\$345,923
Net Service Costs for New Enrollees	2,602,849	3,607,383
Operating Expenses	<u>36,844</u>	<u>5,580</u>
<b>Total State Expenditures</b>	<b>\$2,907,205</b>	<b>\$3,958,886</b>

Future year expenditures reflect full salaries with annual increases and employee turnover as well as annual increases in ongoing operating expenses.

While the effective date of the bill is October 1, 2025, MDH advises that it may take until July 2026 for any EID expansion to be implemented, including obtaining federal approval

from CMS, hiring staff, and making system changes. To the extent implementation does not occur until that date, expenditures estimated above are delayed.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years; however, legislation with similar provisions has been proposed. For example, see HB 822 of 2024.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Health; Department of Legislative Services

**Fiscal Note History:** First Reader - February 11, 2025  
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