

Department of Legislative Services
 Maryland General Assembly
 2025 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1142 (Delegate Bagnall)
 Health and Government Operations

Public Health - Maryland Interested Parties Advisory Group - Establishment

This bill generally codifies the federally required Maryland Interested Parties Advisory Group (IPAG) in the Maryland Department of Health (MDH), but it also expands the duties of IPAG and MDH beyond those requirements. The primary purpose of IPAG is to ensure (1) Medicaid payment rates are sufficient to provide adequate access to “applicable service” categories (homemaker, home health aide, personal care, and habilitation services) and (2) the existence of an adequate and qualified direct care workforce to provide services in Maryland. By September 1, 2026, and annually thereafter, IPAG must report on specified issues, including employment standards for direct care workers, removing barriers to access to care, and its review of disparities impacting direct care workers and consumers. MDH must develop a specified public education and communication plan to inform direct care workers and consumers about IPAG. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: MDH expenditures increase by an estimated \$550,000 (55% general funds, 45% federal funds) annually beginning in FY 2026 for contractual studies to inform IPAG discussions on specified issues and a public education and communication plan, as discussed below. Federal fund revenues increase accordingly.

(in dollars)	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030
FF Revenue	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
GF Expenditure	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
FF Expenditure	\$250,000	\$250,000	\$250,000	\$250,000	\$250,000
Net Effect	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)	(\$300,000)

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary:

Duties of the Advisory Group

IPAG must (1) evaluate the sufficiency of Medicaid payment rates for applicable service categories; (2) examine working conditions for the direct care workforce, as specified; (3) evaluate challenges to accessing care for applicable Medicaid home- and community-based services (HCBS); and (4) develop a communication plan for MDH's engagement with direct care workers and consumers.

By September 1, 2026, and annually thereafter, IPAG must report its activities and recommendations to the Governor and the General Assembly. The report must address (1) recommendations for increasing Medicaid payment rates for applicable service categories; (2) employment standards for direct care workers; (3) removing barriers to access to care and recommendations on how to improve access to quality and continuous care; (4) means the State can use to communicate information to direct care workers and consumers about IPAG; and (5) IPAG's review of any racial, gender, or economic disparities impacting direct care workers or consumers and examples of rates and delivery systems for applicable services in other states with favorable conditions for direct care workers and consumers.

IPAG may hold opportunities to solicit and collect testimony from the public and invite input from employer organizations, worker organizations, consumer advocacy groups, and other stakeholders in the direct care industry.

An employer or State agency may not take retaliatory action against a direct care worker or consumer for participation in IPAG.

The Secretary of Health must appoint the initial members of IPAG by October 1, 2025. Beginning November 1, 2025, IPAG must meet quarterly.

Membership

IPAG comprises (1) the Deputy Secretary of Health Care Financing (or their designee), who must serve as chair; (2) three consumers; (3) two representatives of consumer organizations; (4) three direct care workers; (5) two representatives of worker organizations; (6) one representative of a provider association; (7) one representative of the general public; and (8) one nonvoting advisory member from the Division of Health Care Financing and Medicaid with advanced data literacy.

The Secretary of Health must establish an application process that is accessible to the general public for the recruitment of members. The application and selection criteria must be published on the MDH website. A member of IPAG may not receive compensation but is entitled to reimbursement for expenses.

Duties of the Maryland Department of Health

Standardized Procedures: MDH must establish standardized procedures for the administration of IPAG and make the procedures available to the public on a dedicated page of the MDH website, which must include specified information. MDH must provide sufficient data and resources at least 30 days in advance of an IPAG meeting to support informed participation, including:

- distributing information collected by the Maryland Department of Labor, including specified data collected by residential service agencies related to the direct care workforce;
- federally required information with a detailed explanation of the methodology and data limitations for each report, as specified;
- Bureau of Labor Statistics publicly available wage data and other labor market and workforce data;
- benchmarking and rate studies for HBCS conducted by MDH;
- rate information from neighboring or similarly situated states; and
- access-to-care metrics, as specified.

MDH must consult IPAG before making changes to payment rates for applicable service categories and must afford deference to IPAG's recommendations.

Public Education and Communication Plan: To support IPAG and engage the broader direct care workforce and consumers, MDH must develop a public education and communication plan to inform direct care workers and direct care consumers about IPAG, including its purpose, meetings, and opportunities for input and a summary of its annual report and any recommendations. The public education and communication plan must ensure broad language access and be culturally competent, use targeted methods that will effectively engage direct care workers and consumers, and include an option for direct care workers and consumers to receive ongoing communication from MDH about IPAG and opportunities for engagement. Each residential service agency must provide information regarding IPAG to its employees.

Review of Annual Report: MDH must review IPAG's annual report and within 60 days after receipt of the report, respond to any recommendation, including any justification for declining to implement a recommendation. MDH must provide IPAG with an opportunity

to make changes to its annual report and post the report on the MDH website within 30 days after the report has been finalized.

Current Law:

Federal Ensuring Access to Medicaid Services Final Rule

On May 10, 2024, the federal Centers for Medicare and Medicaid Services published the Ensuring Access to Medicaid Services Final Rule, 89 FR 40542 ([2024 Access Final Rule](#)). The rule requires states to establish an IPAG to advise and consult on provider fee-for-service rates where payments are made to direct care workers providing self-directed and agency-directed personal care, home health aide, and homemaker services. IPAG must also advise and consult with the Medicaid agency on current and proposed payment rates, HCBS payment adequacy data, and access-to-care metrics to ensure the relevant Medicaid payment rates are sufficient to ensure access to homemaker services, home health aide services, personal care, and habilitation services for Medicaid beneficiaries at least as great as available to the general population in the geographic area and to ensure an adequate number of qualified direct care workers to provide self-directed personal assistance services.

IPAG must include, at a minimum, direct care workers, beneficiaries and their authorized representatives, and other interested parties. IPAG must meet at least every two years. The state Medicaid agency must ensure the group has access to current and proposed payment rates, HCBS provider payment adequacy minimum performance and reporting standards, and applicable access-to-care metrics for HCBS to produce these recommendations. These materials must be made available with sufficient time for IPAG to consider them, formulate recommendations, and transmit those recommendations to the state.

State Fiscal Effect: As noted above, establishment of IPAG is required under federal rule. Thus, expenditures related to IPAG, as outlined in the federal rule, are not attributable to this legislation.

However, under the bill, IPAG's annual report must address, among other things, employment standards for direct care workers; removing barriers to access to care and recommendations on how to improve access to quality and continuous care; and review of any racial, gender, or economic disparities impacting direct care workers or consumers. MDH must also develop a public education and communication plan to inform direct care workers and direct care consumers about IPAG. MDH advises that these requirements are not required under the federal rule.

Thus, MDH expenditures increase by an estimated \$550,000 annually beginning in fiscal 2026. This estimate reflects the cost of developing and conducting an annual study

to inform IPAG's discussion and recommendations on specified issues at a cost of \$500,000 (50% general funds, 50% federal funds), as well as an annual cost of \$50,000 (100% general funds) to develop a public education and communication plan to inform direct care workers and consumers about IPAG. Federal fund revenues increase accordingly.

Additional Information

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

Designated Cross File: SB 920 (Senator Gile) - Finance.

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

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Analysis by: Jennifer B. Chasse

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