

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

Senate Bill 742

(Senators Guzzone and Zucker)

Finance

Health

**Maryland Medical Assistance Program and Developmental Disabilities
Administration - Home- and Community-Based Services Eligibility
Determinations (Maryland Protecting People With Disabilities Act)**

This bill generally codifies existing federal mandates related to waivers administered by the Developmental Disabilities Administration (DDA). The Maryland Department of Health (MDH) is prohibited from procedurally disenrolling individuals from Medicaid or home- and community-based services (HCBS) based on missing documentation, except under certain circumstances. MDH must retroactively reinstate certain recipients who were procedurally disenrolled. MDH, subject to federal approval, must reserve capacity in HCBS waivers for recipients who lost eligibility under certain circumstances. Beginning January 1, 2027, MDH must submit quarterly reports to the General Assembly regarding Medicaid recipients who receive HCBS and post the reports on the MDH website. **The bill's reporting requirements terminate September 30, 2029.**

Fiscal Summary

State Effect: MDH advises that, as the bill generally aligns with existing federal requirements, any additional workload can be handled with existing budgeted resources. Revenues are not affected.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary/Current Law:

Existing Federal Mandates

The bill makes the following changes that codify existing federal mandates and are consistent with current practice for DDA waivers.

Appealing a Loss of Eligibility: The bill repeals the current requirement that an individual receiving DDA services who loses Medicaid eligibility must have 90 days to appeal the determination. Instead, an individual *may* appeal the determination. Per federal regulations ([42 C.F.R. § 431.231](#)), an individual may request a hearing within 10 days and the reinstated services must continue until a decision is rendered.

Timely Determinations: MDH must comply with specified federal regulations ([42 C.F.R. § 435.912](#)) related to the timely determination and redetermination of Medicaid eligibility, including processing an application (1) within 45 days if a determination of disability is not required and (2) within 90 days if a determination of disability is required.

Ex Parte Redeterminations: MDH must conduct *ex parte* redeterminations (a process to determine eligibility using existing data without requiring the recipient to submit additional information) and use all procedures authorized under specified federal regulations ([42 C.F.R. § 435.916](#)) to prevent procedural disenrollment (termination of eligibility for services based on reasons related to the renewal process and not on a determination of ineligibility) of individuals receiving HCBS

Provision of Information: MDH must provide, in electronic and paper formats, and orally as an accommodation, the following information to all applicants and other individuals on request: (1) requirements for Medicaid eligibility; (2) available Medicaid services; and (3) the rights and responsibilities of applicants and Medicaid recipients. MDH must provide this information in plain language and in a manner that is timely and accessible to individuals who are limited English proficient or living with disabilities, as specified.

Reinstatement Due to Procedural Termination

Under current practice, an individual may be disenrolled from the waiver due to being found ineligible or due to a procedural reason. The individual may appeal the decision and continue to receive services while the appeal is pending. If an individual does not file a timely appeal, the individual will lose services.

The bill specifies that, if a recipient is procedurally disenrolled due to a failure by MDH to redetermine eligibility in a timely manner after the recipient has timely returned information required under specified federal regulations, MDH must reinstate the recipient's eligibility and the provision of HCBS and authorize enrollment retroactively to the date of disenrollment, pending completion of the redetermination process. These provisions may not be construed to limit MDH's authority or diminish its responsibility to reinstate the eligibility of and the provision of HCBS to a Medicaid recipient disenrolled for a reason other than a failure by MDH to redetermine eligibility in a timely manner.

Reinstatement of Coverage and Waitlist Modifications

Subject to federal approval, MDH must reserve capacity in HCBS waivers for services needed by recipients with developmental disabilities who (1) were disenrolled from the waiver program on or after January 1, 2024; (2) have had Medicaid eligibility reinstated; and (3) have requested the reinstatement of waiver services.

Prohibitions on Procedural Disenrollment

MDH may not procedurally disenroll an individual from Medicaid or HCBS solely based on missing documentation, a missing signature, or incomplete information unless MDH has (1) exhausted all *ex parte* verification processes, as specified; (2) provided a clear, specific, and accessible written notice identifying the exact information required; and (3) provided the recipient with a reasonable opportunity to supply the information. If MDH violates these requirements, a recipient's HCBS must continue without interruption.

If MDH disenrolls a Medicaid recipient in violation of these requirements, MDH must (1) automatically reinstate Medicaid and HCBS retroactive to the date of disenrollment and (2) treat the recipient as continuously enrolled.

Reporting Requirements

By January 1, 2027, and quarterly thereafter through September 30, 2029, MDH must submit to the General Assembly a report on Medicaid recipients who receive HCBS and post each report on the MDH website. The reports must include:

- the total number of Medicaid recipients for whom a redetermination of eligibility was initiated;
- the total number of Medicaid recipients for whom coverage is renewed;
- of those recipients whose eligibility is renewed, the total number whose coverage was renewed based on an *ex parte* redetermination;

- the total number of Medicaid recipients whose eligibility was reinstated following procedural disenrollment due to a failure by MDH to redetermine eligibility in a timely manner;
- the total number of Medicaid recipients whose eligibility was terminated;
- the total number of Medicaid recipients whose eligibility was terminated for procedural reasons;
- the total number of Medicaid recipients whose eligibility was terminated due to a failure by MDH to redetermine eligibility in a timely manner; and
- the mean and median processing times for redeterminations of eligibility.

Additional Comments: The bill requires MDH to submit quarterly reports on HCBS participants. MDH notes that it is currently subject to a quarterly reporting requirement regarding Medicaid enrollment change and application processing established by the 2025 [Joint Chairmen's Report](#). These reports include data on the number of eligibility renewals completed; the number of new individuals enrolled; measures of churn that reflect the number of individuals enrolled who previously received coverage and the timeframe of when they were last enrolled; and the number of individuals disenrolled, shown by reason for disenrollment, identifying procedural disenrollments and disenrollments due to overscale income, aging out, and other common reasons for disenrollment. The reports also include specified administrative data, including measures of application processing times. The most recent [report](#) was submitted in October 2025.

The Department of Legislative Services notes that the current reporting requirement ends April 15, 2026.

Additional Information

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

Designated Cross File: HB 1445 (Delegate Wolek, *et al.*) - Health.

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

Fiscal Note History:
jg/ljm

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