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**Senate Budget and Taxation  
Committee**

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**Developmental Disabilities Administration**

**Additional Pages**

**March 2026**



**M00M**  
**Developmental Disabilities Administration**  
**Maryland Department of Health**

**Budget Amendment**

**M00M01.02 Community Services**

Add the following language:

\$23,100,000 in general funds and \$23,100,000 in federal funds are added to the appropriation for M00M01.02 Community Services within the Developmental Disabilities Administration (DDA) within the Maryland Department of Health for the purpose of restoring funds to reduce the amount of cost containment proposed for fiscal 2027. Cost containment actions that DDA implements in fiscal 2027 shall be limited to the following actions:

- (a) modify the reasonable and customary wages for family as staff;
- (b) modify the reasonable and customary wages for nonfamily as staff with wage enhancements for benefits;
- (c) eliminate the reasonable and customary wages for unlicensed vendors, excluding nursing staff and support brokers;
- (d) implement a 60/40 hourly cap on family as staff in a week;
- (e) eliminate the wage exception process that allows participants to request wages for staff higher than the reasonable and customary wages;
- (f) enforce a dedicated hours policy;
- (g) cap fee-for-service rates at 102% of the fully loaded brick rates; and
- (h) reduce rates by 2% for community service providers and coordinator of community service agencies.

Further provided that DDA shall not implement a cap on person-centered plan budgets.

Funds not expended for these added purposes may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund or be canceled;

**Explanation:** This language adds funding to DDA within the Maryland Department of Health and specifies the use of funding for purposes that mitigate the impacts of cost containment actions on Community Services participants. This language also specifies the cost containment actions that DDA is authorized to implement in fiscal 2027.

**M00M**  
**Developmental Disabilities Administration**  
**Maryland Department of Health**

**Budget Amendment**

**M00M01.01            Program Direction**

Add the following language to the general fund appropriation:

Further provided that \$500,000 of this appropriation made for the purpose of administration may not be expended until the **Developmental Disabilities Administration (DDA) within the Maryland Department of Health** submits a report to the budget committees that provides details on cost containment actions implemented in fiscal 2027. The report shall include the following information:

- (1) a description of all cost containment actions implemented in fiscal 2027, including the number of participants impacted by each action, timeline and status of implementation, and updated estimates of savings;
- (2) the reasonable and customary wages, **including for family as staff and non-family as staff shown separately**, by service prior to and following the implementation of cost containment actions **impacting reasonable and customary wages and family as staff policies**;
- (3) comparison of the **reasonable and customary wages** to the portion of the rates for the same services in the traditional services model that is attributable to wages;  
  
for the person-centered plan cap, the number of exceptions requested and approved, the number of participants transitioned onto other Medicaid or other State agency programs by the program in which they were transitioned to, and an update on federal approval from the Centers for Medicare and Medicaid Services.
- (4) the **Long Term Services and Supports (LTSS) rates for community service providers and coordinator of community service agencies by service prior to and following the implementation of cost containment actions**;
- (5) the **LTSS rates by service category as a percentage of the fully loaded brick rates determined through the rate-setting study prior to and following the implementation of cost containment actions**; and
- (6) a **description of the enforcement of dedicated hours policy, including any changes made to the policy and implementation**.

**DDA shall also provide an update on details of the cost containment action implemented in fiscal 2026 regarding State-only funded services, including:**

- (1) the number of individuals receiving State-only funded services found eligible and transitioned onto a DDA-operated Medicaid waiver as of July 1, 2026;**
- (2) the number of individuals receiving State-only funded services found ineligible for the DDA-operated Medicaid waiver, including the most common reasons for ineligibility or disenrollment;**
- (3) actual spending on State-only funded services in fiscal 2026 and 2027 year to date; and**
- (4) total estimated spending on State-only funded services for fiscal 2027.**

The report shall be submitted by October 1, 2026, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending receipt of the report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

**Explanation:** The fiscal 2027 budget contains general fund reductions to account for the implementation of cost containment actions. This language restricts funds pending **submission of a report from the Maryland Department of Health (MDH) providing detailed information on how a cost containment action in fiscal 2026 regarding State-only funded services and cost containment actions in fiscal 2027 are being implemented.**

<b>Information Request</b>	<b>Author</b>	<b>Due Date</b>
Report on <del>fiscal 2027</del> cost containment actions	MDH	October 1, 2026

**M00M**  
**Developmental Disabilities Administration**  
**Maryland Department of Health**

**Budget Amendment**

**M00M01.02 Community Services**

Add the following language:

Further provided that, relating to dedicated hours, effective July 1, 2026, the Developmental Disabilities Administration (DDA) within the Maryland Department of Health (MDH) shall implement the following policy when implementing cost containment action that enforces dedicated hours policy. Dedicated hours may be accessed when the participant has an assessed medical or behavioral need and an approved behavioral support plan or nursing care plan that justifies the need, or a daytime residential support need as described below. This policy is intended to ensure that, in all other circumstances, such as community integration, appointments, and other circumstances that do not meet the assessed need criteria, shared hours are exhausted before dedicated hours are accessed. Dedicated hours may support more than one participant only when doing so meets each participant's assessed needs, and the participants are retired, transitioning between meaningful day services, recovering from a health condition, or receiving fewer than 30 hours of meaningful day services per week.

DDA will approve dedicated hours without considering the use of shared hours when:

- (1) the participant has an assessed behavioral need and an approved Behavior Support Plan documenting the need for a 1:1 or 2:1 staff-to-participant ratio necessary to support the person with specific behavioral needs; or
- (2) the participant has an assessed medical need and an approved Nursing Care Plan documenting the need for a 1:1 or 2:1 staff-to-participant ratio necessary to support the person with specific health and safety needs; or
- (3) the participant needs daytime residential support due to retirement, transitioning from one meaningful day service to another, recovery from a serious health condition, or receiving less than 30 hours of meaningful day services, and has an approved person-centered plan that documents the assessed need for support.

MDH, DDA, or its designee shall provide mandatory, advanced training on dedicated hours to its staff (including Headquarters and regional offices), Coordinator of Community Services agencies, and a representative from each community provider of residential services. This training will include, but is not limited to, detailing DDA's federal and State approval criteria, its enforcement of federal requirements, and its utilization reviews of shared hours.

DDA shall update all policy guidance and manuals to be consistent with this policy by July 1, 2026.

**Explanation:** This language specifies the policy that DDA within MDH shall use to guide the enforcement of a cost containment action related to dedicated hours.