



DEPARTMENT OF HEALTH

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Dennis R. Schrader, Acting Secretary

February 10, 2021

The Honorable Shane E. Pendergrass
Chair, House Health and Government Operations Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: House Bill 786 – Department of Human Services, Maryland Department of Health, and Department of Education – Easing Access to Family Support – Letter of Information

Dear Chair Pendergrass and Committee Members:

The Maryland Department of Health (MDH) is submitting this letter of information on House Bill (HB) 786 – Department of Human Services, Maryland Department of Health, and Department of Education – Easing Access to Family Support.

The bill would require the Department of Human Services (DHS), MDH, and the Maryland State Department of Education (MSDE) to undertake different activities designed to simplify the process for applying for family supports programs. The bill would take effect July 1, 2021. As defined by the bill, family supports programs include but are not limited to certain public assistance programs provided by DHS; the Maryland Medical Assistance Program (Medicaid); the Maryland Children’s Health Program; as well as certain subsidized and free feeding programs; the breakfast programs established under the Education Article; and child care programs provided by the Division of Early Childhood Development. The legislation would require DHS, MDH, and MSDE to meet at least quarterly to explore, and if feasible, take action on certain steps by July 1, 2022. Among other tasks, the agencies would be required to determine ways to simplify the family supports application process, including providing ready access to physical application forms across the state.

If Medicaid is required to return to a primarily paper-based application system, there would be indeterminate but substantial fiscal impact on Medicaid expenditures due to the enhanced administrative burden, subject to a 50% federal match. Maryland Medicaid recognizes the value of streamlining the application process; however, mandating a return to paper applications would place additional burden on families by delaying eligibility determinations. A shift to a paper-based application model represents a step backwards from the progress Maryland has made to simplify and expedite the process of applying for Medicaid. Coordinating exchange of data electronically would be a more efficient and less burdensome way to streamline the application process. The Maryland Health Connection (MHC) processes all applications for coverage on the basis of Modified Adjusted Gross Income (MAGI), which make up the majority of applications from families with children for Medicaid. Consumers can apply for benefits online, through a free mobile application on their cell phone, in-person at a Local Health Department (LHD) or

Department of Social Services (DSS), or by phone. Paper applications are also available on request through the Call Center.

Maryland has one of the best records for timely processing of applications in the country. Approximately 98% of MAGI applications are processed in under 24 hours compared to approximately 45% nationally. Electronic submission of applications facilitates the efficient processing and verification of applications, ensuring families are able to select a managed care organization and access benefits quickly without delay.

Paper applications make up a tiny proportion of overall applications processed by MHC today. In 2020, MHC processed only 645 paper applications out of hundreds of thousands of applications received. In the rare instance that a paper application is requested, it includes a custom barcode specifically tied to the consumer making the request. The barcode expedites processing of the paper application on its return, although paper applications still require manual data entry. The barcode would not be available if Medicaid were required to shift back to making paper applications available at sites throughout the state. Further, given the low volume of paper applications processed today, there is no staffing at MHC to support a shift to a paper-reliant process and substantial new staffing would be required.

I hope this information is useful. If you would like to discuss this further, please do not hesitate to contact me at webster.ye@maryland.gov / (410) 260-3190 or Heather Shek, Deputy Director of Governmental Affairs at heather.shek@maryland.gov and at the same phone number.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Webster Ye', written in a cursive style.

Webster Ye
Assistant Secretary, Health Policy