



DEPARTMENT OF HEALTH

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

March 8, 2022

The Honorable Delores G. Kelley
Chair, Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, MD 21401-1991

RE: SB 867– Maryland Medical Assistance Program - EID Program - Requirements (Equal Love for Employees w/ Disabilities Act) - Letter of Information

Dear Chair Kelley and Committee Members:

The Maryland Department of Health (MDH) respectfully submits this letter of information for SB 867– Maryland Medical Assistance Program - EID Program - Requirements (Equal Love for Employees w/ Disabilities Act). The legislation will require several changes to the Employed Individuals with Disabilities (EID) Program.

SB 867 will expand on changes that MDH and stakeholders agreed to in Fall 2021 to modify certain eligibility requirements for EID to allow individuals to qualify at higher income levels and eliminate perceived barriers to marriage following enrollment. These agreed upon changes are currently funded through an allocation of \$4.6 million total funds (\$2.3 million general funds) in the Governor’s fiscal year 2023 budget.

As drafted, SB 867 goes beyond the changes MDH committed to implementing, and will expand the number of individuals who qualify for EID while having unintended consequences for eligibility rules for other coverage categories. Specifically, SB 867 will:

- Reduce the lower age limit for the program from 18 to 16;
- Establish a premium contribution based solely on the applicant’s income;
- Eliminate consideration of an applicant and spouse’s assets at the initial eligibility assessment;
- Extend the existing grace period for EID enrollees to continue to receive coverage for a period of 6 to 12 months in the event of temporary loss of employment so long as the enrollee continues to pay their premium;
- Exempt all assets earned by the individual while they were enrolled in EID when determining the individual’s eligibility for any other program within Medical Assistance;
- Allow a former EID participant to maintain assets even when applying for Medicaid under another eligibility category.

MDH estimates that the annual fiscal impact of the eligibility changes to the EID Program will be \$22.6 million total funds (\$11.3 million federal funds, \$11.3 general funds).

Additionally, there are two considerations with SB 867 that create potential equity and fairness inconsistencies as compared to other similarly situated individuals. First, all other Medicaid programs consider both an applicant's income and a spouse's income when determining eligibility. MDH agreed with the stakeholder workgroup in Fall 2021 to consider assets at the initial eligibility assessment but not future renewals, even if the person marries after the initial assessment. This will prevent an individual from losing eligibility due to marriage.

Second, SB 867 allows an individual to maintain assets if that individual decides to leave the EID program and seek eligibility through another category. For instance, a person enrolled in the EID program but requires nursing home care is able to maintain a higher level of assets yet still qualify for the additional care. By contrast, all other applicants applying for nursing home services are required to spend down their resources before qualifying for this additional level of care. Due to equity issues, MDH will either pay with state only dollars for these EID individuals or be required by federal law to make the change for all applicants which will lead to a significant cost.

If you have any questions, please contact Heather Shek, Director of Governmental Affairs, at heather.shek@maryland.gov or (443) 695-4218.

Sincerely,

A handwritten signature in cursive script that reads "Dennis R. Schrader".

Dennis R. Schrader
Secretary