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TO: The Honorable Shane E. Pendergrass, Chair
Members, House Health and Government Operations Committee
The Honorable Joseline A. Pena-Melnyk

FROM: Danna L. Kauffman
Pamela Metz Kasemeyer

DATE: March 15, 2022

RE: **SUPPORT** – House Bill 1403 – *Maryland Department of Health – Waiver Programs – Waitlist Reduction (End the Wait Act)*

On behalf of the LifeSpan Network, the Maryland Association of Adult Day Services, and the Maryland-National Capital Homecare Association, we respectfully **support** House Bill 1403. House Bill 1403 requires the Maryland Department of Health (MDH) to develop a plan to reduce the waitlists for eight specified waiver programs by 50%, beginning in fiscal 2024. The plan must include (1) measures to recruit and retain providers; (2) any changes in reimbursement rates for services under the waiver programs; (3) the expected timeframe for reducing the waitlist for each waiver program by 50%; and (4) the projected cost of the measures to be implemented under the plan.

The provisions required under this bill are long overdue. Despite actions taken by the Maryland General Assembly to address these issues, MDH has not taken necessary actions. As a result of House Bill 1696 (Ch. 798 of the Acts of 2018), MDH, through the Hilltop Institute, conducted two reports on the differential between the cost to provide care and the reimbursement by Medicaid. The reports clearly demonstrated that the level of reimbursement did not come close to the cost to provide care. It is important to note that the reports affected all Medicaid home-and-community based programs. The following year, MDH (through budget language) was instructed to develop a 5-year plan for closing the differential gap. Again, MDH failed to develop this plan. Rather, it simply said that it needed more information and was going to issue an RFP to acquire that information. MDH never took any steps to “acquire” the additional information and then COVID hit. By increasing reimbursement rates, it will likely have the effect of increasing provider participation. For example, in the Community Options Waiver, the reimbursement rate is so low that many assisted living programs have dropped out of the program because the rate is so disproportionate to the cost to provide care.

Therefore, we support House Bill 1403 and hope that MDH will put forward a meaningful plan. Individuals desire to age-in-place and when our waiver programs are inadequate it curtails their ability to do so. We urge a favorable vote.

For more information call:

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