



AN EXELON COMPANY

Position Statement

SUPPORT

Health and Government Operations

2/7/2023

HB 0111 - Maryland Medical Assistance Program, Maryland Children's Health Program, and Social Services Programs - Eligibility and Enrollment

Baltimore Gas and Electric Company (BGE) supports *House Bill 111 - Maryland Medical Assistance Program, Maryland Children's Health Program, and Social Services Programs - Eligibility and Enrollment*. House Bill 111 would direct the state to adopt Categorical Eligibility policies that make people automatically eligible for various benefit programs if they have already been approved for other programs. The bill also raises the income limit for the Electric Universal Service Program (EUSP), administered by the Maryland Office of Home Energy Programs (OHEP), to 200% of the Federal Poverty Level for all applicants; currently that limit is 175% of the Federal Poverty Level, except for those with a member aged 67 or older. These changes would take effect Jan. 1, 2025.

Estimates show that perhaps two-thirds of Maryland households with income low enough to qualify for utility assistance from OHEP fail to get that assistance – a rate that is comparable to most other states. There are many reasons for this gap, including lack of awareness and time, technology and travel constraints. In fact, BGE has worked with OHEP and other public and private agencies to address that gap, through outreach and communications, policy changes to eliminate obstacles to accessing assistance, and technology advances to streamline both the enrollment and verification processes so that more customers can obtain bill payment help.

However, when customers have applied to OHEP and are denied help, roughly two-thirds of these denials are for a failure to complete all the program's information and document requirements. While these requirements are necessary to ensure the integrity of the program, they have proved an insurmountable barrier for too many households struggling to make ends meet. House Bill 111 would ease the "barriers to entry" for these vital basic needs programs, while still ensuring that limited funds are directed only to those who are verified to be income eligible. OHEP estimates that as many as 32,000 additional households would receive its help through this measure.

The bill would direct OHEP to enroll in its fuel and utility assistance programs anyone who meets the financial eligibility requirements for the:

- Supplemental Nutrition Assistance Program (SNAP)
- Temporary Assistance for Needy Families
- Supplemental Security Income
- Means-tested Veterans Affairs benefits.

The bill would also direct the Health Department to create an "Express Lane Eligibility Program" to enroll SNAP recipients in the state's Medical Assistance and Maryland Children's Health Programs, as appropriate, and enroll recipients of Supplemental Security Income in the SNAP program.

An analysis performed for BGE by the E Source research firm shows that nearly half the states have adopted Categorical Eligibility policies of one type or another.

The Maryland Department of Human Services (DHS) has worked for several years to eliminate the database silos between its major benefit programs through the MD THINK project, which is expected to roll out to OHEP by the start of the FY24 program year. The policy changes set out in HB 111 would complement the technological advances of MD THINK and leverage the state's investment in the new platform.

BGE would question the potential fiscal impact stated in the Fiscal and Policy Note. Since none of OHEP's main sources of funding – the electric customer surcharge, the federal LIHEAP program, and the Maryland Strategic Energy Investment Fund – are tied to the state's General Fund but are dedicated and limited sources, it is not clear how the bill as drafted would create an additional obligation on the State's budget, as the fiscal note states, beyond the modest administrative impacts, which are likely to be offset by savings from streamlined application processing.

In fact, a 2020 analysis of OHEP by Eleventh House Solutions showed that states that adopted Categorical Eligibility with streamlined application processing, as DHS is also proposing, "increased their percentage served, [as] administrative percentages decreased."¹ To the extent that increased enrollment does boost demand for utility assistance, the State should consider providing sufficient funding to meet this need, especially this year as the extraordinary COVID-era federal and state funding streams of 2020 and 2021 have been exhausted, but many households are still working their way back from the depths of the COVID-19 recession.

BGE respectfully requests that the Committee issue a favorable vote on this legislation.

BGE, headquartered in Baltimore, is Maryland's largest gas and electric utility, delivering power to more than 1.2 million electric customers and more than 655,000 natural gas customers in central Maryland. The company's approximately 3,400 employees are committed to the safe and reliable delivery of gas and electricity, as well as enhanced energy management, conservation, environmental stewardship and community assistance. BGE is a subsidiary of Exelon Corporation (NYSE: EXC), the nation's leading competitive energy provider.