



DEPARTMENT OF HUMAN SERVICES

Wes Moore, Governor · Aruna Miller, Lt. Governor · Rafael López, Secretary

March 4, 2025

The Honorable Ben Barnes, Chair
House Appropriations Committee
121 Taylor House Office Building
6 Bladen Street
Annapolis, Maryland 21401

**RE: TESTIMONY ON HB1402 - MARYLAND DEPARTMENT OF HEALTH AND
DEPARTMENT OF HUMAN SERVICES – PUBLIC BENEFITS – PREVENTION OF
WASTE, FRAUD, AND ABUSE - POSITION: UNFAVORABLE**

Dear Chair Barnes and Members of the Appropriations Committee:

The Maryland Department of Human Services (DHS) thanks the Committee for its consideration and opportunity to submit unfavorable testimony for House Bill 1402 (HB 1402).

With offices in every one of Maryland's jurisdictions, DHS provides preventative and supportive services, economic assistance, and meaningful connections to employment development and career opportunities to assist Marylanders in reaching their full potential. Our Family Investment Administration (FIA) administers the Supplemental Nutrition Assistance Program (SNAP) and processes Medical Assistance (MA) eligibility determinations, both of which are affected by HB 1402.

In HB 1402, the new proposed subsection Health - General § 15-123.1(B) applies to DHS, as our agency conducts MA eligibility determinations on behalf of the Maryland Department of Health (MDH). HB 1402 states that self-attestation for eligibility determinations cannot be accepted "unless required by federal law." [Federal regulation 42 CFR 435.940](#) authorizes self-attestation, at state discretion, for certain information when applying for MA. The federal regulation is clear that states can "provide for methods of administration that are in the best interest of applicants and beneficiaries and are necessary for the proper and efficient operation of the plan..." Exercising the administrative authority provided, MDH and DHS work collaboratively in the best interest of our customers by not requiring the duplicative submission of

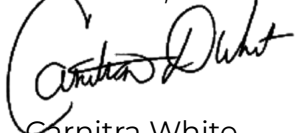
information. The collaboration between MDH and DHS allows for customers to provide the necessary information to one agency.

DHS does not believe replacing self-attestation with a less-efficient system appropriately addresses concerns around fraudulent receipt of these benefits. We are skeptical any potential fraud uncovered through the provisions in HB 1402 would offset the dramatically increased operational costs noted below. HB 1402 would require data reviews twice monthly, monthly, and quarterly for SNAP and MA programs. Federal regulations only require SNAP cases to be reviewed semi-annually and MA cases annually, unless the recipient reports changes during the eligibility period. This national standard is efficient and sufficient to check fraud for Maryland as it is for other states. By mandating additional verifications beyond federal requirements, HB 1402 would make our operations less efficient, causing delays and extending wait times for benefits that are critical for our customers.

As written, HB 1402 will replace self-attestation for MA with a new, expensive, and burdensome process. By requiring monthly review and processing of active cases, HB 1402 would increase the workload associated with managing cases for SNAP and MA by multiples of six and twelve-fold, respectively. In addition to increased staffing needs, DHS would be forced to pay a significant sum for wage verification systems. Currently, we pay approximately \$14 million per year for a system used to verify income at application and case renewal. The monthly income checks required under HB 1402 would increase our data matching costs tenfold. If HB 1402 passes as written, it would create millions in additional costs for DHS, including staff salaries, system enhancements, and access to third-party databases for wage and asset verifications.

We appreciate the opportunity to provide unfavorable testimony to the Committee for consideration during your deliberations. If you require additional information, please contact Rachel Sledge, Director of Government Affairs, at rachel.sledge@maryland.gov.

In service,

A handwritten signature in black ink, appearing to read "Carnitra White", written over a circular stamp or seal.

Carnitra White
Principal Deputy Secretary