



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

February 12, 2025

The Honorable Joseline A. Peña-Melnyk
Chair, House Health and Government Operations Committee
241 Taylor House Office Building
Annapolis, MD 21401-1991

Re: House Bill 430 – Employed Individuals With Disabilities Program - Upper Age Limit - Prohibition – Letter of Information

Dear Chair Peña-Melnyk and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of information for House Bill (HB) 430 – *Employed Individuals With Disabilities Program - Upper Age Limit - Prohibition*.

HB 430 requires the Maryland Medical Assistance Program (Medicaid) to expand eligibility for the Employed Individuals with Disabilities (EID) Program to participants age 65 and older. Currently, only Medicaid participants from ages 16 through 64 (who meet all of the other eligibility criteria) are eligible for the EID Program.

The Department recently significantly expanded the EID Program. Effective January 1, 2024, the Department established less restrictive financial eligibility requirements for the EID Program. This has enabled more individuals with disabilities who are working to receive healthcare coverage. These changes include:

1. Lowering the age of eligibility from 18 to 16;
2. Eliminating the income requirement and disregarding all retirement accounts for participants;
3. Creating the flexibility of maintaining a retirement account called an Independence Account for participants;
4. Disregarding spousal income and assets as part of applicant eligibility; and
5. Setting new premium levels for higher-income recipients.

Opening the EID Program to individuals age 65 and over is expected to have a significant fiscal impact. Based on historical data from the EID Program and data from two other states that implemented similar expansions, the Department estimates that 342 participants 65 and older would become newly eligible for the EID Program in FY 2026.¹ Additional staff would also be

¹ For further additional information, please see the Report Pursuant to SB790/HB 822 - Ch. 845 and 846 of the Acts of 2024: Report on Maryland Medical Assistance Program - Employed Individuals With Disabilities (MSAR #15745), <https://health.maryland.gov/mmcp/Documents/JCRs/2024/EIDpremiumJCRfinal12-24.pdf>.

required to administer the Program, which would operate under a different authority from the Centers for Medicare and Medicaid Services (CMS) than the existing EID Program. In FY 2026, HB 430 is expected to cost \$3 million total funds (\$1.5 million federal funds (FF), \$1.5 million state general funds (GF)), with \$421,630 of those funds allocated for new staffing positions. From FY 2026 through FY 2030, the total estimated impact of both the service expansion and staffing is \$20.4 million (\$10.2 million FF/ \$10.2 million GF).

Beyond the potential fiscal impact of this expansion, the Department has concerns with the bill's proposed effective date of October 1, 2025. The Department has had conversations with CMS to assess the possible policy changes required to implement the proposed expansion. CMS has indicated that there exists a path forward to develop a Program that operates identically to the EID Program for individuals aged 65 and older through a State Plan Amendment (SPA) or an §1115 waiver amendment. It is unclear how the change in federal administration will impact SPA requests; however, it is reasonable to anticipate potential delays in processing and approval. To the extent an §1115 demonstration was needed, the Department would anticipate submitting such a request as part of the demonstration renewal with an effective date of January 1, 2027. The renewal process is expected to begin later this year as the current demonstration ends December 31, 2026.

If you would like to discuss this further, please do not hesitate to contact Sarah Case-Herron, Director of Governmental Affairs at sarah.case-herron@maryland.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Laura Herrera Scott".

Laura Herrera Scott, M.D., M.P.H.
Secretary