



# House Bill 1331

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*Presented to*  
Maryland House Appropriations Committee

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Chairman Barnes and members of the committee, thank you for the opportunity to submit testimony in support of House Bill 1331.<sup>1</sup>

My name is Kaitlyn Finley, and I am with FGA Action.

I want to focus on why this legislation matters from a basic program integrity and stewardship standpoint. Medicaid and food stamps exist for important reasons. These programs are intended to protect the most vulnerable, including seniors, individuals with disabilities, and children. That mission matters, and it is a promise worth keeping.

But protecting that promise requires more than good intentions. It requires making sure these programs are administered effectively, responsibly, and in a way that preserves resources for the people they are meant to serve.

The true measure of compassion is not simply how much government spends. It is whether the system is working well for the individuals who depend on it. When there are persistent eligibility mistakes, payment errors, and weak accountability, the people who suffer most are often the very people these programs were designed to protect. Maryland is currently facing serious management challenges in both food stamps and Medicaid.

In the food stamp program, the state's payment error rate is about 14 percent, which is more than double the federally allowable amount.<sup>2</sup> If that problem is not addressed, Maryland could face approximately \$244 million per year in costs shifted onto the state budget due to new provisions in federal law.<sup>3</sup>

In Medicaid, the situation is also significant. For every percentage point Maryland exceeds the allowable three percent eligibility error rate, the cost to the state will be approximately \$106 million.<sup>4</sup> When food stamps and Medicaid error-related costs are considered together, the potential financial consequences for Maryland taxpayers are substantial.

This is not a political issue. It is a stewardship issue. This legislation takes practical steps to strengthen program administration and improve accountability. First, it helps ensure that benefits are going to individuals who are actually eligible. Second, it seeks to reduce costly errors and improper payments that undermine confidence in these programs and divert resources away from those who truly need assistance. Third, it aligns Maryland with federal law and reinforces basic program integrity to safeguard state resources.

It is also important to state clearly what this bill does not do. This is not about eliminating Medicaid or dismantling the safety net. In fact, according to the latest projections from the Congressional Budget Office, Medicaid spending is still projected to grow by approximately 40 percent, or about \$273 billion more, over the next 10 years.<sup>5</sup>

In other words, spending is still increasing. The real question before policymakers is whether that growth will be managed responsibly. If Maryland wants to preserve a strong safety net for the future, then it must also take program integrity seriously in the present. Every dollar lost to waste, error, or improper payment is a dollar that cannot be used to support a senior in need, a child who qualifies for assistance, or an individual with disabilities who relies on these services. Strong public benefit programs require strong administration. Protecting the safety net and protecting the integrity of the safety net should go hand in hand.

Thank you for your time and consideration of House Bill 1331.

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<sup>1</sup> Maryland House Bill 1331 (2026),

<https://mgaleg.maryland.gov/mgawebsite/Legislation/Details/HB1331?ys=2026rs>.

<sup>2</sup> United States Department of Agriculture, Supplemental Nutrition Assistance Program: Payment Error Rates Fiscal Year 2024 (2025), <https://fns-prod.azureedge.us/sites/default/files/resource-files/snap-fy24QC-PER.pdf>.

<sup>3</sup> With FY 2024 benefit distributions totaling \$1,498,978,722, a 15 percent improper payment rate would amount to \$224,846,808.

<sup>4</sup> With FY 2024 federal Medicaid spending totaling \$10.6 billion, each percentage point above the 3 percent eligibility error rate threshold represents roughly \$106.2 million.

<sup>5</sup> Congressional Budget Office, The Budget and Economic Outlook: 2026 to 2036 By the Numbers (2026), <https://www.cbo.gov/publication/62105>.