



March 19, 2026

**House Appropriations Committee
TESTIMONY IN OPPOSITION**

*HB 1331 – Maryland Department of Health and Department of Human Services - Public Benefits
- Eligibility and Prohibition*

Behavioral Health System Baltimore (BHSB) is a nonprofit organization that serves as the local behavioral health authority (LBHA) for Baltimore City. BHSB works to increase access to a full range of quality behavioral health (mental health and substance use) services and advocates for innovative approaches to prevention, early intervention, treatment and recovery for individuals, families, and communities. Baltimore City represents nearly 35 percent of the public behavioral health system in Maryland, serving over 100,000 people with mental illness and substance use disorders (collectively referred to as “behavioral health”) annually.

Behavioral Health System Baltimore opposes HB 1331 – Maryland Department of Health and Department of Human Services - Public Benefits - Eligibility and Prohibitions. This bill would create unnecessary administrative burdens for the Maryland Department of Health (MDH) and the Department of Human Services (DHS) by requiring frequent, sweeping audits of Medicaid and SNAP beneficiaries across the state. These requirements would both duplicate and compound the administrative burden created by the One Big Beautiful Bill Act. This bill also erroneously assumes that program beneficiaries are a significant driver of social program fraud and would waste time, money, and staff capacity to address this non-issue.

HB 1331 would direct the MDH and DHS to undertake significant new oversight and accountability duties for all 1.7 million state Medicaid enrollees¹ without providing funding to accomplish it. The bill would require, among other measures: monthly death record reviews; quarterly reviews of tax filings; monthly reviews of incarcerated individuals; monthly reviews of address information; and quarterly reviews of work requirement fulfillment. The Maryland Office of the Inspector General for Health, which investigates Medicaid fraud, has limited capacity and has had difficulty filling positions as of FY24. The demands of this bill would set it up for failure.

The bill’s method for addressing monetary losses in Medicaid is ineffective. The bill targets fraud even though the vast majority of improper Medicaid payments – including instances of fraud – involves insufficient documentation². When fraud occurs, it’s more likely to be committed by providers rather than beneficiaries³, such as billing Medicaid for medically unnecessary and unrendered service.

HB 1331’s address verification requirements disproportionately harm Baltimore City’s unhoused population. The City’s Office of Homeless Services estimated that around 1,500 people experience homelessness on any given night, the majority of which are Black. Many people without fixed residences would be deprived of Medicaid benefits within the first two months.

HB 1331 would place unnecessary burdens on MDH and DHS, be ineffective at reducing Medicaid losses, and cause disproportionate harm to the unhoused people of Baltimore. **BHSB urges the House Appropriations Committee to oppose HB 1331.**

For more information, please contact BHSB Policy Director Dan Rabbitt at 443-401-6142

Endnotes:

¹Office of the Inspector General for Health, *Annual Report of the Office of Inspector General for Health, Fiscal Year 2024*. Available at: https://dlslibrary.state.md.us/publications/Exec/MDH/HG2-506_2024.pdf

²Centers for Medicare and Medicaid Services, *Fiscal Year 2024 Improper Payments Fact Sheet*. Available at: <https://www.cms.gov/newsroom/fact-sheets/fiscal-year-2024-improper-payments-fact-sheet>

³KFF, *5 Key Facts About Medicaid Program Integrity – Fraud, Waste, Abuse and Improper Payments*. Available at: <https://www.kff.org/medicaid/5-key-facts-about-medicaid-program-integrity-fraud-waste-abuse-and-improper-payments/>