



DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Meena Seshamani, M.D., Ph.D., Secretary

March 19, 2026

The Honorable Ben Barnes
Chair, House Appropriations Committee
121 Taylor House Office Building
Annapolis, MD 21401-1991

RE: House Bill 1331 – Maryland Department of Health and Department of Human Services - Public Benefits - Eligibility and Prohibitions – Letter of Opposition

Dear Chair Barnes and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of opposition for House Bill (HB) 1331 – Maryland Department of Health and Department of Human Services - Public Benefits - Eligibility and Prohibitions.

HB 1331 requires substantial changes to the Department’s eligibility, enrollment, and redetermination processes for Maryland Medical Assistance Program (Medicaid) participants. The Department notes while the bill codifies certain provisions of H.R. 1, it goes significantly above and beyond what is federally required. Among other provisions, the bill mandates more frequent eligibility checks to more than 272,700 adults not impacted by H.R. 1 in addition to requiring coverage lock out periods potentially impacting over 595,800 individuals. Implementing these requirements will needlessly compromise the health of Marylanders enrolled in Medicaid, increase coverage churn, introduce volatility to the Department’s budget, and create a substantial administrative burden for the Department in a time of unprecedented changes due to new federal requirements.¹

Additional staffing is required to implement the broad-reaching provisions, with costs amounting to an average of \$14.8 million total funds (\$7.4 million general funds, \$7.4 million federal funds) annually. Required system updates and administrative costs to implement the provisions of HB 1331 has an indeterminate but significant fiscal impact.

A 2021 review by the HHS Assistant Secretary for Planning and Evaluation (ASPE) noted that “studies indicate that beneficiaries moving in and out of Medicaid coverage (sometimes called “churning”) results in higher administrative costs, less predictable state expenditures, and higher monthly health care costs due to pent-up demand for health care services.” Further, “one study found adults with 12 full months of Medicaid coverage in 2012 had lower average costs

¹ As many as 130,000 participants may lose coverage as a result of H.R. 1, including 15,000 participants impacted by immigration status related changes and approximately 115,000 Affordable Care Act (ACA) Expansion Adults. For more information on the impact on Medicaid see <https://health.maryland.gov/mmcp/eligibility/Pages/changes.aspx>.

(\$371/month in 2021 after adjusting for inflation) than those with six months of coverage (\$583/month) or only three months of coverage (\$799/month).² Individuals who experienced a lockout were more likely to report being uninsured, less likely to report receiving needed medical care in the prior year, and more likely to report owing money for medical expenses and needing to borrow money, skip paying other bills, or pay other bills late to pay health care bills in last 12 months.³ Additionally, to the extent that more frequent checks and lockout periods increase churn amongst participants, the Department anticipates increased costs to the state. One study found that the administrative cost of one participant disenrolling and subsequently reenrolling in Medicaid totaled between \$400 and \$600 in 2015 (the equivalent of \$557 to \$835 in 2026).^{4,5}

If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Government Affairs at meghan.lynch@maryland.gov.

Sincerely,



Meena Seshamani, M.D., Ph.D.
Secretary of Health

² HHS ASPE, Medicaid Churning and Continuity of Care: Evidence and Policy Considerations Before and After the COVID-19 Pandemic, <https://aspe.hhs.gov/sites/default/files/private/pdf/265366/medicaid-churning-ib.pdf>.

³ Saloner B, Dague L, Friedsam D, Voskuil K, Serna Borrero N, Burns M. Access to Care Among Individuals Who Experienced Medicaid Lockouts After Premium Nonpayment. *JAMA Netw Open*. 2019;2(11):e1914561. doi:10.1001/jamanetworkopen.2019.14561. <https://jamanetwork.com/journals/jamanetworkopen/fullarticle/2753978>.

⁴ Swartz K, Short PF, Graefe DR, Uberoi N. Reducing Medicaid Churning: Extending Eligibility For Twelve Months Or To End Of Calendar Year Is Most Effective. *Health Aff (Millwood)*. 2015 Jul;34(7):1180-7. doi: 10.1377/hlthaff.2014.1204. PMID: 26153313; PMCID: PMC4664196. <https://pmc.ncbi.nlm.nih.gov/articles/PMC4664196/>.

⁵ U.S. Bureau of Labor Statistics, CPI Inflation Calculator, available at https://www.bls.gov/data/inflation_calculator.htm.