



## DEPARTMENT OF HEALTH

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

March 3, 2026

The Honorable Pamela Beidle  
Chair, Senate Finance Committee  
3 East Miller Senate Office Building  
Annapolis, MD 21401-1991

### **RE: Senate Bill 721 – Developmental Disabilities Administration - Services - Eligibility for Recently Relocated Individuals (Ralph’s Act) – Letter of Concern**

Dear Chair Bagnall and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of concern for Senate Bill (SB) 721 – Developmental Disabilities Administration - Services - Eligibility for Recently Relocated Individuals (Ralph’s Act). SB 721 establishes new eligibility criteria for services from the Department and the Developmental Disabilities Administration (DDA) through the DDA-operated Medicaid Home and Community-Based Services waiver program. It also requires the Department to establish an expedited process to determine eligibility under the new eligibility criteria.

SB 721 presents significant legal and fiscal challenges that could jeopardize Maryland’s federal funding and existing service delivery:

#### **1. Federal Compliance and Legal Risks**

Medicaid Home and Community-Based Services waiver programs are state-specific.<sup>1</sup> There is no federal legal mechanism for portability among states; instead, each state must apply for its own waiver authority and assure the Centers for Medicare & Medicaid Services (CMS) that it will strictly follow its own approved eligibility requirements.<sup>2</sup> However, SB 721, particularly as proposed § 7-404.2(A), mandates that Maryland accept another state’s eligibility determination as presumptive eligibility for Maryland’s waiver program eligibility in certain circumstances, even if the other state’s criteria conflict with Maryland requirements. This is not compliant with federal Medicaid eligibility requirements and the Department would be unable to implement this bill without being in violation of federal law and requirements.

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<sup>1</sup> 42 U.S.C. § 1396n; 42 C.F.R. § 441.301.

<sup>2</sup> 42 CFR § 441.302.

Requiring Maryland to accept another state's eligibility determination without independently verifying compliance with Maryland's federally-approved authority would undermine Medicaid program integrity, including the State's responsibility to ensure that all individuals receiving services meet CMS-approved financial, medical, and technical eligibility standards and that federal funds are claimed appropriately. If another state's criteria are different than or in conflict with standards than Maryland's, Maryland could be found in violation of its own federal waiver authority. The failure to conform to its waiver would make the Department ineligible for federal financial participation from CMS for the services provided to such individuals.<sup>3</sup>

## **2. Internal Inconsistency and Implementation Hurdles**

The bill contains a procedural inconsistency. Proposed § 7-404.2(D) allows DDA to determine eligibility before a move, while § 7-404.2(A)(1)(iii) requires the applicant to have already moved to Maryland to live with an immediate family member in order to be eligible. It is unclear how the Department would provide a pre-move determination for a person whose eligibility is legally contingent on relocation.

## **3. Fiscal and Budgetary Impact**

Complying with SB 721 would require the Department to circumvent federal funding entirely in cases of eligibility conflict. Maryland would likely have to use 100% State funds to support these individuals until it was determined if they met Maryland-specific criteria. It is unclear at this time the length of time that the Department would be required to use state general funds to cover these services.

In addition to the legal and fiscal challenges outlined above, the Department is concerned that this bill would unjustly displace approximately 4,000 Marylanders with intellectual and developmental disabilities already waiting for DDA services. Because SB 721 requires entry into a waiver for those eligible under this act, it places the Department in a compromising situation, as the Department would compromise the integrity of its waitlist requirements and compromise the integrity of its Medicaid waiver authority and Medicaid eligibility regulations – specifically, COMAR 10.09.24. DDA would either prioritize them over current residents for existing waiver slots or expand expenditures to include additional waiver slots, the latter of which is not feasible given current statutory requirements for utilization of State funds if and when available.

To facilitate this prioritization, SB 721 mandates that individuals eligible through this pathway be automatically placed in the Crisis Resolution priority category, regardless of whether they meet the normal criteria for Crisis Resolution. Creating an expedited pathway for out-of-state individuals would effectively allow people to receive preferential treatment above native Marylanders or longtime Maryland residents who have been waiting numerous years, depending on their circumstances, to be afforded an opportunity to apply for Community Pathways waiver program services simply by relocating. It would undermine long-standing prioritization criteria (e.g., crisis, institutional transitions, court-ordered releases) and violate principles of equity and access to services for Maryland residents who have intellectual and developmental disabilities. It

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<sup>3</sup> See 42 C.F.R. § 430.35; 42 C.F.R. § 430.42.

could also have the unintended consequence of incentivizing people from neighboring states and localities, such as Delaware, West Virginia, Pennsylvania, Virginia, and the District of Columbia, to relocate to Maryland to take advantage of our relatively richer package of home and community-based services.

The Department appreciates the Committee's consideration of these concerns. If you would like to discuss this further, please do not hesitate to contact Meghan Lynch, Director of Governmental Affairs at [meghan.lynch@maryland.gov](mailto:meghan.lynch@maryland.gov).

Sincerely,

A handwritten signature in blue ink, appearing to read 'Meena Seshamani', with a stylized flourish at the end.

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