SB 0742: Maryland Medical Assistance Program and Developmental Disabilities Administration - Home- and Community-Based Services Eligibility Determinations (Maryland Protecting People With Disabilities Act)

March 3, 2026

Position: Support

The Arc Maryland is a statewide organization dedicated to protecting and advancing fundamental rights, and access to community, for people with intellectual and developmental disabilities. We support SB 742 because we believe it will ensure Maryland finally is required to fix its very broken, complicated, unresponsive Medicaid and Medicaid Waiver eligibility processes.

Maryland has demonstrated a longstanding commitment to community inclusion by closing nearly all of our large public institutions for people with intellectual and developmental disabilities and investing in supports that allow Marylanders with disabilities to live, work, and thrive in the communities of their choosing, with people they choose.

When the world pandemic happened, the annual Medicaid Redetermination process was put on hold for people so everyone would maintain their health insurance and HCBS services during this unprecedented time. This lasted a few years until the pandemic ended, and the states were required by the Federal Government to redetermine everyone's eligibility. Maryland did this systematically, and when it came time for the redetermination of people in DDA waiver services, around January 2024, we saw huge issues: Mass disenrollments, erroneous termination letters, no notice, and other confusion.

While the Secretary of Medicaid acknowledged the mass disenrollments were caused by a system error and reinstated the majority of people erroneously disenrolled, people with IDD have continued to fall out of Medicaid, lose their waiver, or both over the past 24+ months.

Maryland is required to follow federal rules related to Medicaid applications, and decisions about eligibility and renewals of benefits. A "pre-pandemic DDA and Maryland Medicaid" used to work with providers when people completed their redetermination packets and there was an issue. If an application wasn't received on time, there would be a phone call or an immediate letter, asking where the application was. Often we had to provide a copy of what we had previously mailed and evidence of the postmark from when we mailed the item) and it was taken care of- problem solved. If a person with disabilities was overscale/over the asset limit, and the person needed to spend down, the team would work the problem together and within a matter of days, we were able to get people's Medicaid reinstated. Even though it sometimes took up to a couple of months

for some people with complex application issues, providers, CCS, and families worked with DDA and together we ensured people did not have a gap in their critical services. This all changed in 2024.

Since January 2024, people have been losing their Medicaid and even when they reapply, some are being told they need to wait for a slot to open up before they can have their services again.

As people started losing their Medicaid and waiver, the reasons why were not clear, and once lost, it became cumbersome (and in some cases, impossible) to have benefits restored. When people with developmental disabilities lose their Medicaid and waiver eligibility, they lose their services that support them to live in the community. They are at increased risk of institutionalization and the state is at risk of violating Olmstead.

The landmark 1999 decision of the United States Supreme Court in Olmstead v. L.C. affirmed that unjustified segregation of individuals with disabilities constitutes discrimination in violation of Title II of the Americans with Disabilities Act (ADA). The Olmstead decision established that people with disabilities have the right to receive services in the most integrated setting appropriate to their needs and that states must provide community-based services when such services are appropriate, desired by the individual, and can be reasonably accommodated.

People with IDD who have lost their Medicaid and Waiver have had massive gaps in medication and health care services, delaying care and compromising health One woman we talked to earlier this year missed important cancer treatment appointments when she was disenrolled and unable to re-establish eligibility due to issues at EDD.

When people who get services and supports from community providers lose their Medicaid, Providers can no longer get paid and families and people who self-direct cannot access services.

Almost all of DDA's 200+ providers of Developmental Disabilities services report they support several individuals who have lost their Medicaid and waiver. During disenrollment, many have been forced to provide uncompensated care. Even if a person's Medicaid is reinstated, billing is not guaranteed to be paid and this has resulted in **tens of millions in losses to DDA providers**.

Families take on additional caregiving responsibilities when their loved one is disenrolled from Medicaid and/or their Medicaid Waiver and the person is unable to get services elsewhere.

SB 742 would put federal requirements into state law.

Following the rules of the Federal government, this bill:

- Requires the State to follow timelines and provide help to prevent Medicaid and waiver services from ending, and if Medicaid coverage has ended, help to get Medicaid back.
- Says Maryland can't end a person's Medicaid when it does not do its part to keep the person continuously enrolled.

- Says Maryland must reinstate a person's eligibility if they were disenrolled for certain reasons.

These rules are not new – the codify the requirements that Maryland should be meeting.

Ensuring timely Medicaid eligibility decisions, preventing procedural terminations, and protecting continuity of HCBS coverage are necessary to fulfill the promise of Olmstead and uphold Maryland's commitment to dignity, inclusion, and equality for all people with disabilities.

Maryland MUST do better for people with intellectual and developmental disabilities. We respectfully urge a favorable report on SB 742.

For more information, please contact:

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Additional information

CMS has repeatedly provided guidance to states regarding warned states:

(August 19, 2024 CMS CIB)

"States must exhaust ex parte processes and ensure individuals are aware of what information is missing before terminating… Procedural terminations of HCBS users may implicate *Olmstead*."

(July 2023 CMS Renewal Final Rule & SHO Letter)

"A renewal cannot be terminated for procedural reasons unless the state has taken all required steps to verify eligibility and provided clear notice."

Maryland's current practice of terminating individuals for missing signatures or unknown documentation is expressly prohibited.