

**House Bill 1151 – Maryland Department of Health – Study on Maryland Medical Assistance Program Reimbursement of Hospice Room and Board Services**

**POSITION: Favorable with Amendments**

February 24, 2026

House Health Committee

The University of Maryland Medical System (“UMMS”) supports House Bill 1151 – House Bill 1151 – Maryland Department of Health – Study on Maryland Medical Assistance Program Reimbursement of Hospice Room and Board Services with the amendments proposed by the bill sponsor. House Bill 1151 (“HB 1151”), as amended by the sponsor would require the Maryland Department of Health (MDH) and the Maryland Health Care Commission (MHCC) to jointly study the impact of requiring Medicaid to provide reimbursement for room and board services provided by a “hospice house.”

Under current law, MDH only provides reimbursement for room and board to hospice participants residing in a skilled nursing facility. HB 1151 would ask MDH to evaluate the cost of extending room and board reimbursement to hospice houses, which are defined as “residence operated by a Maryland licensed hospice care program that provides home-based hospice services to hospice patients in a home-like environment.” Since federal law prohibits Medicaid from reimbursing for room and board except in certain medical institutions, such as skilled nursing facilities, any reimbursement of room and board services provided by a hospice house would require the use of State general funds.

Importantly, the study under the bill will analyze whether, and to what extent, there are Medicaid cost savings associated with hospice care utilization during the last 6 months of life compared with costs associated with other services provided to Medicaid enrollees during the last 6 months of life. The study will also specifically assess the impact of avoided inpatient stays, emergency department utilization, and intensive treatments near the end of life.

HB 1151 wisely acknowledges that understanding health care utilization is a cornerstone of delivering high-quality, cost-effective care. By requiring MDH and MHCC to examine hospice length of stay, hospital readmission and emergency department rates, this bill will equip policymakers with critical data on how hospice services affect both patient outcomes and state spending. The focus on utilization metrics aligns with sound health system stewardship and ensures that decisions about coverage are driven by evidence.

This assessment is especially important as federal investments in health care are shifting, and funding streams that have supported various parts of the health care safety net are tightening. In recent years, federal health care policy has placed increasing emphasis on value and cost

containment while directing states toward models that emphasize prevention, care coordination and accountable performance. As Maryland navigates this evolving landscape, we must carefully assess where state-level investments can produce savings and better outcomes, particularly for vulnerable populations.

At the same time, Maryland is transitioning into the new Total Cost of Care framework with the Centers for Medicare & Medicaid Services (CMS) and participating in the Achieving Healthcare Efficiency through Accountable Design (AHEAD) Model Agreement beginning in 2026. These models build upon the longstanding All-Payer and Total Cost of Care Models, which have historically held statewide spending to responsible growth targets while seeking to improve population health and care coordination. The underlying principle of these models is that better data, smarter utilization, and aligned incentives can reduce overall cost growth while improving care quality. HB 1151's requirement for robust utilization and savings analysis dovetails with Maryland's broader shift toward population-based payment and accountability.

Hospice care, by design, supports patients in the setting most appropriate to their needs and preferences and has been shown in many contexts to reduce preventable hospitalizations, emergency visits, and aggressive end-of-life interventions, often yielding net savings for Medicaid while improving quality of life. Reimbursing room and board through hospice housing could expand access to this high-value care for individuals who lack adequate housing or who otherwise depend on high-cost settings. By quantifying these impacts, the State can make informed policy choices that both benefit patients and protect public resources.

For these reasons, the University of Maryland Medical System supports HB 1151 with the sponsor amendments, and respectfully requests a *favorable* report on the bill.

For more information, please contact:

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