



DEPARTMENT OF HEALTH

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

March 3, 2026

The Honorable Heather Bagnall
Chair, House Health Committee
241 House Office Building
Annapolis, MD 21401-1991

RE: House Bill 1167 – Maryland Department of Health – Medicaid Management Information System – Mainframe System Replacement – Letter of Opposition

Dear Chair Bagnall and Committee Members:

The Maryland Department of Health (the Department) respectfully submits this letter of opposition for House Bill (HB) 1167 – Maryland Department of Health – Medicaid Management Information System – Mainframe System Replacement. HB 1167 requires the Department to integrate the replacement system with the Medicaid Enterprise System (MES) by January 1, 2027, and to transition the Department applications from Annapolis Data Center by January 1, 2028, followed by decommissioning the legacy MMIS.

The Department strongly supports modernization of Maryland's technology infrastructure and remains committed to replacing the State's legacy Medicaid Management Information System (MMIS) with a modular, federally compliant system. However, the statutory timelines established in HB 1167 are not operationally feasible and present significant risk to federal compliance, procurement integrity, and continuity of Medicaid operations. While the Department agrees that accelerating procurement timelines for MMIS is important, multiple concurrent system modernization initiatives are already underway to support this effort. These initiatives, including CMS-required updates for H.R.1 implementation and interoperability, are essential to maintaining compliance with federal guidance and ensuring continued access to federal funding.

The Department has actively revised and accelerated the MMIS replacement procurement timeline. The anticipated procurement award date has been shifted from June 2032 to July 2029, with framework discussions expected to begin in March 2026, followed by requirements development and RFP writing in July 2026.

The Centers for Medicare and Medicaid Services' (CMS) recently approved Maryland's Medicaid Enterprise System Modernization Planning Advance Planning Document (PAPD), which establishes the federally aligned roadmap for replacing Maryland's legacy MMIS. The CMS approved timeline aligns with the updated expected award date and reflects a procurement process of at least three years from the development of the request for proposals (RFP) through proposal evaluation, vendor selection, contract negotiation and execution. This process includes

multiple stages of CMS review and approval, including pre-solicitation and pre-award approvals, as well as State procurement approvals through the Maryland Board of Public Works (BPW).

After the contract award, the system design, development, testing, certification, and implementation are expected to require an additional multi-year effort of at least four years. These activities are necessary to ensure federal certification, system security, data integrity, and uninterrupted Medicaid program operations. Accelerating these timelines beyond the CMS-approved roadmap increases the risk of losing enhanced federal funding, operational disruptions, and delays in system certifications.

Based on the CMS approved PAPD and current planning assumptions, the Department estimates the fiscal impact of implementing HB 1167 at approximately \$363 million in general funds (GF). These estimates reflect the full cost of system design, development, testing, and implementation. The Department would not have time to follow the CMS processes required to receive a federal match for this project as outlined above.

The Department remains fully committed to modernizing Maryland's Medicaid systems and continues to advance this work in coordination with State and federal partners. However, the Department respectfully requests to align statutory timelines in HB 1167 with CMS approved roadmap to protect federal funding, ensure responsible procurement, minimize implementation risk, and avoid significant additional State fiscal exposure.

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