

**Department of Human Services
Fiscal Year 2022 Operating Budget
Response to Department of Legislative Services Budget Analysis**

**Senate Budget and Taxation Committee
Health and Human Services Subcommittee
Senator Melony Ghee Griffith
Friday, February 5, 2021**

**House Appropriations Committee
Health and Social Services Subcommittee
Delegate Kirill Reznik
Friday, February 5, 2021**

Testimony of Secretary Lourdes R. Padilla

Good afternoon, Chairman Reznik, Chairman Griffith and members of the Committee. It is a pleasure to be here today.

With me today are: Gregory James, Deputy Secretary for Operations; Netsanet Kibret, Deputy Secretary for Programs, Samantha Blizzard, Chief of Staff and Stafford Chipungu, our Chief Financial Officer.

Also available to address any questions are: La Sherra Ayala, Acting Executive Director of the Family Investment Administration; Michelle L. Farr, Executive Director of the Social Services Administration; Kevin Guistwite, Executive Director of the Child Support Administration and Subramanian Muniasamy, Chief Technology Officer.

The Department of Human Services (DHS) is responsible for three primary areas: we administer the State's social services programs including foster care, adoption, and adult services; we provide economic assistance to those in need; and we administer the state child support program including the collection of child support, setting child support orders, and a number of non-custodial employment and training programs. During the last fiscal year, we estimate that at least one million Marylanders used one or more of our services.

The FY 2022 Allowance for DHS totals \$2.8 billion, an increase of \$417 million or 17% compared



to the FY 2021 Appropriation.

I'd like to take a moment to highlight some of our accomplishments:

Family Investment Administration

- We manage over 1.5 million cases across all FIA programs. We now serve over 600,000 more individuals who are recipients of safety net programs compared to pre-pandemic caseload levels. This represents a 61% increase in the number of cases served.
- In March, we implemented Pandemic EBT; in response to COVID-19, we are providing more than \$214 million in benefits to more than 400,000 children who were eligible for free or reduced-price school meals. This program will continue through September 2021, and we estimate that an additional \$450 million in benefits will be issued.
- We implemented the Emergency Allotment provision as part of the SNAP program, resulting in more than \$362 million in additional benefits provided to active SNAP recipients.
- We collaborated with local food banks to distribute over \$30 million dollars' worth of emergency food assistance. In the months of May and June, we collaborated with the Maryland Food Bank and Capital Area Food Bank to distribute 200,000 pounds of commodities to more individuals experiencing economic hardship - nearly 17,000 households were served through the Disaster Household Distribution Program. Additional funding for these partners was provided in October and December.
- We successfully collaborated with vendors to create new models of service to ensure that customers continued to receive employment services – like occupational training, English as a second language training, job placement services, and resource referrals – in remote environments.
- On December 17, 2020, Governor Hogan announced \$40 million in funding to boost TCA benefits. Starting in the month of January, TCA households received an additional \$100 per recipient per month, which is being added to their EBT card. The benefit will continue until



June.

- Most recently, DHS implemented a fifteen percent (15%) increase in SNAP benefit. The increase in SNAP benefits was available to customers with their regular SNAP issuance schedule starting in January. This increase will remain in place until June 30, 2021.

Social Services Administration

- 4,630 children are in out-of-home placement and in the care of DHS, as of December 31, 2020. Among those, there are 3,303 youth in foster care placed in a family setting, and 438 youth placed in group home or similar settings.
- The number of Maryland children in foster care has decreased by more than half since 2007. The proportion of foster children exiting foster care to permanency through reunification, adoption, and guardianship has increased from 66% in SFY 2008 to 77% in SFY 2020.
- During the past year, DHS has seen a decrease in entries into foster care of approximately 26% from FY19 to FY20, we believe primarily due to COVID-19. The total number of children in foster care remains below those of FY 2015, when there were a total of 4,837 youth in out-of-home placements.
- The placement of children in group settings has decreased from nearly 20% in 2007 to 9.5% in 2020. With the increased focus on supportive services across the state, SSA projects to be able to maintain and reduce the number of children in foster care while maintaining safety as a priority.
- In a major response to the COVID-19 pandemic, DHS has allowed older youth in foster care to remain in care and not age-out at 21.
- For those youth exiting care, 620 children were reunified with their families, 225 went to a permanent guardianship home, and 260 children were adopted. The SFY 2020 exit to permanency rate of 77% represents an increase compared to the rate of 75% in FY 2015. It should be noted that there was a 19% reduction in exits during SFY 2020 compared to



SFY 2019, due in part to our allowing older youth to remain in care beyond 21 during the COVID-19 pandemic.

- We continue to implement our plan for the federal Family First Prevention Services Act (FFPSA).

Child Support Administration

- We provide comprehensive child support services to approximately 235,000 children who were involved at some point in an active child support case during Federal Fiscal Year (FFY) 2020.
- We collected and distributed \$583 million in child support last fiscal year. Of that amount, \$176 million was distributed to families previously receiving Temporary Cash Assistance, reducing the likelihood that those families would again become dependent on the State for financial stability.
- As of the first quarter of FFY 2021, \$138 million was collected and distributed, and collections per case increased by \$40 from \$733 to \$773. Based on trends from the first quarter of FFY 2021 compared to the previous year, collections are expected to increase.
- We established support orders for 6,875 cases in FFY 2020, representing 85.9 percent of support orders established on cases.
- In December 2020, we passed the four-year anniversary of the Baltimore City STEP Up (Supporting, Training and Employing Parents) Program. STEP Up provides employment services and other support services to noncustodial parents to support their efforts to become economically self-sufficient. Between October 1, 2019 and July 31, 2020, there were 104 noncustodial parents enrolled in the STEP Up Program. This represents 183 active cases and 132 of the cases (72.1%) had a payment distribution since the NCP was enrolled in the STEP Up Program.
- Our statewide noncustodial parent employment programs are conducted in conjunction with the Family Investment Administration (FIA). Through June 30, 2020, there have been



11,297 NCPs enrolled in NPEP programs outside of Baltimore City representing 16,362 cases. Of these, 14,505 cases had a payment distribution after enrollment in the program totaling distributions of \$172,058,935.

Two-Generation Approach

The state continues to work closely with national organizations supporting innovation in Two-Gen Approaches. In FY 2020, the Two-Generation Program Office also worked to execute a Memorandum of Agreement with the Maryland Community Action Partnership (MCAP) to support the transition of Community Action Agencies to a Two-Generation Model of service delivery.

MD THINK

- DHS is leading the development and implementation of the Maryland Total Human services Integrated NetworK (MD THINK), a new shared human services platform. This initiative includes new program applications for the Social Services, Family Investment, and Child Support administration within DHS, and a shared hosting and services platform which will support the new applications and the applications of multiple programs and administrations across state government.
- The MD THINK cloud platform became operational in 2018, and currently hosts the Maryland Health Benefit Exchange's HBX application.
- The Child, Juvenile, and Adult Management System (CJAMS) Child Welfare module was implemented statewide in FY 2020 – a major accomplishment in the COVID-19 telework environment.
- CJAMS Adult Services module will go live in the start of 2021, and CJAMS-DJS module development continues.
- CJAMS has provided DHS caseworkers with greater mobility and visibility into their cases, and enables us to better engage with children, families, and vulnerable adults in crisis.



- The pilot deployment of FIA's new Eligibility and Enrollment (E&E) application is planned for Spring 2021.
- The new Child Support application is in final development and is targeted for deployment before the end of 2021.

This concludes my testimony. We greatly appreciate the support of the General Assembly and this Committee for our clients, the Department, and the critical work we do. We are of course happy to answer any questions you may have. Thank you.



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**Overview
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Response to Issues

Issue #1: DHS should comment on the extent to which access to physicians to make disability determinations has factored into TDAP case closures and application denials and whether the department asked the Governor to waive the documentation requirement. (page 18)

Response to Issue: The Maryland Temporary Disability Assistance Program (TDAP) is designed to provide short-term financial assistance and supportive services to help low-income, disabled Marylanders while they are awaiting approval of federal disability benefits. TDAP eligibility requirements include verifying the disability (a licensed medical practitioner must complete a medical report). TDAP applicants who are disabled for 12 months or more must file an application for Supplemental Security Income (SSI). The Department of Human Services (DHS) has seen a steady decline in the number of TDAP recipients since July 2020. The Department examined three key areas to understand what impacts the public health emergency has had on the State's TDAP recipients. We looked at application approval rates, case closure rates, and trends in application denial reasons. Informed by clear trends, the Department identified policy and procedural impacts on the caseload as a result of the COVID-19 pandemic. While the Department noticed an increase in case closures, there was also a corresponding decrease in application approval rates. This is due to two major factors. The first being the prescriptive criteria surrounding program eligibility such as the requirement of medical documentation verifying a disability and the second being the challenges noted across public assistance programs to return verifications timely as a result of delays in the United States Postal Service mail delivery. We have learned many lessons over the last ten months administering benefits in a virtual setting during the COVID-19 pandemic. DHS has made significant changes in the application processes and procedures to allow for contactless



transactions. While these changes have ultimately enhanced service delivery, there still remains regulatory and statutory requirements that were written for pre-pandemic times. TDAP customers are often our most vulnerable customers who are exceptionally sensitive to changes limiting in-person contact. The Department did not request a waiver of the documentation requirement. As a result of the Department's analysis of the impact of documentation requirements, as well as the impact of mail delays in getting verifications returned, DHS made the decision to re-open any recipient's TDAP case that closed as a result of failure to provide verification or recertify benefits during the months of July 2020 - November 2020. DHS estimates that about 3,000 TDAP cases will be reopened through this effort.

Issue #2: DHS should comment on the status of these efforts and plans for the transition at the end of this extension period to limit the likelihood of a similar occurrence. The Department of Legislative Services also recommends committee narrative requesting data on case closures by program and reason. The recommendation will be included in the DHS Family Investment Administration analysis. (page 19)

Response to Issue: The Continuing Appropriations Act passed by the United States Congress and signed into law in October provided a six-month extension for recertifications due October 2020 through June 2021. The extended recertifications will be due beginning April 2021.

The Family Investment Administration (FIA) has developed a multi-pronged strategy to address recertifications should existing extension waivers start to expire as expected.

1. Online Submission and Electronic Document Management

Historically, the vast majority of recertifications are submitted via mail - resulting in major workloads across the state as case managers manually enter recertifications in the eligibility system and scan/upload associated verifications. DHS is developing functionality within myDHR, DHS's online consumer portal, to streamline the recertification system to reduce the amount of data that will have to be entered manually. This system change also includes technology to identify recertification verifications and automatically import them in DHS's electronic case record, the Enterprise Content Management System (ECMS). With these changes, case managers will be able to process almost double the number of cases they processed previously.

2. Special Handling of Certain Recertifications

Federal regulations allow FIA the discretion to establish a 24-month recertification period for SNAP cases with Supplemental Security Income (SSI) as the only source of income. FIA has identified approximately 7,000 households eligible for this flexibility. There are efforts underway to grant those households a 24-month certification period through automated eligibility system updates.

3. Outreach Campaign

Historically, the majority of customers submit recertification documents within the last two weeks of their recertification month. This leaves case managers with a very small window to process the cases before the end-of-month deadline. FIA signed a Memorandum Of



Understanding (MOU) with Benefits Data Trust (BDT), one of the agency's Supplemental Nutrition Assistance Program (SNAP) Outreach partners, to leverage its texting platform. The platform will allow us not only to reach customers to encourage them to submit their recertification and associated verifications online, but also, we will be able to send reminder texts as necessary to ensure that the recertifications are submitted early - allowing our case managers enough time to work on them.

In addition to the texting platform, we will also send general reminders using emails. The vast majority of our customers now have emails associated with their account in myDHR. FIA will also use this information to ensure timely submission of and encourage online recertifications. Customers who are unable to submit their recertifications online will still be able to submit theirs using traditional means.

4. Ex Parte Medicaid Renewals

The Centers for Medicare & Medicaid Services in partnership with the Maryland Department of Health (MDH) have extended Medical Assistance (MA) recertifications until September 30, 2021. DHS welcomes this extension as it will give case managers more time to ensure that recertifications are received and processed seamlessly. Before the most recent extension, there were 63,952 MA recertifications due for April 2021 through July 2021. This number will be significantly higher when the extension expires in September 2021. We are working with MDH to develop a strategy to proactively process those recertifications utilizing Ex Parte renewals to mitigate any unintentional termination of MA benefits upon expiration of the extension.

Ex Parte renewal means renewing coverage without requiring the beneficiary to submit any forms or documents. Federal regulations allow for Ex Parte renewals for Aged, Blind, and Disabled MA cases where income and resources can be checked via electronic systems such as the State Verification and Exchange System (SVES) and State Data Exchange (SDX) through the Social Security Administration, BEACON through the Maryland Department of Labor, The Work Number income verification system, and an Asset Verification System (AVS).