Maryland
DEPARTMENT OF HEALTH

Responses to the DLS FY 2023 Budget Analyses
January 27, 2022 (Senate Budget & Taxation)
February 2, 2022 (House Appropriations Committee)

Maryland Department of Health - Overview

The Department thanks the Governor, the Department of Budget and Management, and the Budget Committees for their support in 2020 and in 2021 with COVID-19 response efforts. We thank the Department of Legislative Services for its insightful budget analysis.

MDH should provide its latest estimate of the federal matching funds it expects DDA to generate through the enhanced 10% FMAP on HCBS, both in initial claims and secondary claims on funds that it reinvests. Further, the department should clarify whether the funding is reflected in DDA's fiscal 2022 working appropriation and fiscal 2023 allowance and, if not, provide a timeline for allocating the funds. (pg. 22-23)

The Department's most-recent estimates are included in our November 1, 2021 spending plan. This is located on our website under "Maryland Medicaid American Rescue Plan Act Reinvestment Spending." Our estimates show that MDH will have about $295 million to reinvest back into the program. Providers received a 5.5 percent increase in rates starting November 1, 2021, and retroactive to April 1, 2021. The amount allocated to the rate increase is $221 million.

Additionally, U.S. Centers for Medicare & Medicaid Services (CMS) approved our request to provide $50 million in noncompetitive grants and $10 million in competitive grants. $50 million will first be made available in non-competitive grants to licensed and certified providers of services for the developmentally disabled community via an application process and will be awarded using a percentage-based allocation using DDA FY19 service revenue. These grants will be used to retain staff, assist with billing through the LTSSMaryland system, and transformation efforts to promote HCBS core principles of consumer choice, community integration, opportunities, and rights. We have been working with members of the Developmental Disabilities Coalition and Secretary Beatty of the Maryland Department of Disabilities since July 2021 on this issue. More than 25 meetings on this subject have been conducted since that time and have kept stakeholders updated on progress.

We are currently working with stakeholders on the details for the $10 million in competitive grants.

The Department requested a deficiency appropriation of federal funds (FF) in the Fall that was rolled into the budget amendment instead. There is a signed budget amendment in place, DBM 045-22, which includes $85 million FF for eFMAP in M01.02, Developmental Disabilities Administration. This $85 million will be part of the Developmental Disabilities Administration's FY 22 working appropriation as soon as the Comptroller posts the amendment to FMIS Screen 62.

Additional FF appropriation is not included in the FY 23 allowance for ARPA spending related to the Developmental Disabilities Administration. The Department will make a deficiency request of an additional $85 million FF appropriation to support ARPA spending in FY 23.

The department should comment on its timeline for reinvesting enhanced FMAP funding in Medicaid and BHA through fiscal 2024 and explain how the remaining 25% of funds will be spent to enhance and strengthen HCBS in the State. (p. 23)

For Medicaid home and community-based services (both long-term care and behavioral health (BH) services, 75 percent of the reinvestment dollars were allocated to provider rate increases. Starting November 1, 2021, Medicaid long term care services and supports received a 5.2 percent increase, and BH services received a 5.4 percent increase. The rate increases were targeted to providers who qualify for the additional 10 percent federal match. For more information, please see our November 1, 2022 spending plan proposal to CMS.

We asked stakeholders to submit ideas on how to spend the remaining 25 percent reinvestment funds for both long-term care and behavioral health.

One suggestion provided was to use the monies to fill additional waiver slots. Please note that CMS informed the Department that it is unable to use American Rescue Plan Act (APRA) monies to fill home and community-based services slots until all its approved slots have been filled. We are currently approved to fill 6,348 slots under the Community Options Program. Through December 2021, we have filled 4,456 for FY 2022. Because there is still a gap in our approved slots and our budgeted amount, we will not be including new slots in our ARPA spending plan at this time.

Our goal is to fill over 5,000 slots in FY 2023. Our budget reflects this increase in slots, and we will be hiring additional staff to assist us in filling these additional slots. In the meantime, we are reviewing the other stakeholder comments, which focused largely on assisting with retention bonuses and salary increases.

As we evaluate the additional comments received, we will include viable options in our next spending plan proposal to CMS that is due February 1, 2022.