



Wes Moore | Governor

Aruna Miller | Lt. Governor

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**MARYLAND DEPARTMENT OF AGING  
FISCAL YEAR 2027 OPERATING BUDGET HEARINGS  
RESPONSE TO DEPARTMENT OF LEGISLATIVE SERVICES ANALYSIS**

**HOUSE APPROPRIATIONS COMMITTEE  
HEALTH AND SOCIAL SERVICES SUB-COMMITTEE**  
**Delegate Emily K. Shetty, Chair**  
**Delegate Dana Jones, Vice-Chair**

**February 4, 2026**

**SENATE BUDGET & TAXATION COMMITTEE  
HEALTH AND HUMAN SERVICES SUB-COMMITTEE**  
**Senator Cory V. McCray, Chair**

**February 6, 2026**

Thank you for the opportunity to appear before the Committee as you review the proposed operating budget for the Maryland Department of Aging (MDOA) for fiscal year 2027. MDOA thanks our assigned DLS analyst, Victoria Martinez for her thoughtful and thorough analysis as well as the area agencies on aging and other MDOA partners that work tirelessly to deliver direct programming and support to thousands of older adults in Maryland every day.

**Agency Overview:**

The Maryland Department of Aging (MDOA) functions as the State Unit on Aging as designated by the Administration on Community Living within the U.S. Department of Health and Human Services. MDOA receives federal and state funding to serve older adults, their families, and caregivers through planning, advocacy, policy and legislation. MDOA distributes funding to the aging services network across Maryland, including to 19 local Area Agencies on Aging (AAA). Funding, as designated through the Older Americans Act of 1965, focuses on older people who are in greatest economic and/or social need. Essential services funded through the MDOA and administered by the aging services network include information and referral, nutrition, community-based supportive services, and advocacy. MDOA provides fiscal and programmatic

oversight of aging services network grantees including the AAAs, who provide the bulk of the funded services at the local level.

As our analysis appropriately highlights, major efforts have been our initiation of significant state program consolidation into the new SOAR (Supporting Adults with Resources) program and the July, release of the state's 10 year, multisector plan on aging, the Longevity Ready Maryland Plan (the "LRM Plan"). In alignment with the new LRM Plan, MDOA's vision continues to be transforming institutions, systems, and norms so all older adults lead lives that are healthy, financially secure, socially connected, and purposeful for the 100-year lifespan. As the plan is organized by short, mid-range, and long-term outcomes over the next 10 years, MDOA is now in year one of the implementation phase. MDOA notes that while the LRM Plan does contain specific funding recommendations; many state funding changes and other legislative changes should occur over the next 10 years (at least) to implement the LRM Plan. MDOA looks forward to working with these committees as partners in that ongoing, challenging work for the benefit of older Marylanders, caregivers, and their families today and in the future.

MDOA appreciates the DLS budget analysis highlighting much of our significant work in FY26 and wishes to note the following additional significant actions taken over the past year, leveraging critical state investments:

- Came into compliance with new federal final rule under the Older Americans Act; leading AAAs into compliance as well through written guidance, monthly meetings.
- To address operational obstacles as identified by our federal coordinating agency, the Administration for Community Living at U.S. HHS and MD DOIT, modernized multiple fiscal and programmatic reporting processes. These updates save MDOA and AAA staff critical time and enhance MDOA's data collection, reporting, analysis and programmatic and spending monitoring. MDOA continues to provide appropriate training and support to AAAs in their transition to Smartsheets and other new reporting elements.
- A new full-time auditor began work, and in collaboration with our still-new programmatic monitor and fiscal leadership, MDOA continued thoroughly conducting thorough program and fiscal monitoring across functions. Performing these functions consistently, with newly hired MDOA staff, is directly responsive to repeat audit findings (see p. 19) about insufficient reviews, monitoring, and reimbursement of federal funds that current MDOA leadership inherited. These efforts also contribute to improvements in spending by AAAs of both federal and state funds.
- Led the AAAs and partner network through a long federal shutdown and SNAP payment stoppages. Convened weekly update calls with AAAs and other partners in Maryland's aging network, provided proactive advice and one-on-one availability of fiscal and programmatic leadership to all AAAs that largely avoided disruptions to services for older adults at the local level.

## **Key Comments to DLS Operating Budget Analysis:**

### **Appendix 1, p. 19 - Audit findings: Communities for Life and Naturally Occurring Retirement Communities Funding**

The Department of Legislative Services (DLS) fiscal compliance audit of MDOA was issued and posted on the DLS website on April 23rd, 2025. As you see on page 19 of MDOA's budget analysis, it concluded that the longtime Naturally Occurring Retirement Communities (NORC) funding stream lacked sufficient transparency in the selection of grantees and lack of documentation about grantee qualifications. The audit recommended that MDOA begin documenting the solicitation and selection of grantees to ensure grantees are qualified to operate related programs. In MDOA's responses to auditors MDOA concurred with these recommendations and swiftly implemented a competitive, transparent application and grant award process with NORC funds beginning July 1, 2025. This resulted in a compressed time period (May and June 2025) available for MDOA to implement a competitive grantmaking process for these funds. Funding for this program has historically been approximately \$1.3 million per year, given to 6 grantees.

MDOA notified all existing NORC grantees of the change in writing in May 2025. MDOA then publicized its notice of funding opportunity, responded consistently to inquiries about the new application requirements, reviewed and scored all applications and notified applicants of funding decisions. MDOA implemented a scoring preference for existing NORC grantees to promote continuity of programming during this first year of transition to a competitive funding process. MDOA leadership have been responsive to feedback around these funding awards and future grantmaking with these funds. MDOA is committed to following through with implementation of the auditors' recommendations as well as standardizing its grantmaking processes and communications across all of its funding streams.

MDOA notes similar audit findings were made recommending more competition, transparency in funding about the Community for Life (CFL) program. The goal of this program was to support older adults' independent living through home maintenance, transportation and service navigation. The concept was for this model to provide seed money to these organizations to provide these services, then become self-sustaining. A mix of state and federal funding was received between FY18 and FY25, peaking at \$600,000 in FY23, as prior DLS budget analyses discussed. Due to high-per-capita cost, low participation, significant local resistance, mixed success among grantees, overall limited effectiveness and overlap with other funding streams MDOA delivers, as well as the recent DLS audit findings and recommendations, MDOA terminated this program in 2025. The final report provided to MDOA by academic partners at the University of Maryland on CFL is enclosed with this response. MDOA sent termination

letters to grantees in the summer of 2025, advised grantees to seek other funding sources and wound down funding to end on September 30, 2025. MDOA plans to continue emphasizing competitive grantmaking to Villages statewide and other aging in place models through its Aging in Place, Healthy Aging and philanthropic partnerships.

**DLS Key Observations, Recommendations with MDOA responses:**

**Page 8, 16: Reduce Funds to Increase Turnover Expectancy to 8%. MDOA has 6 vacant positions as of December 31, 2025, after accounting for a proposed deficiency appropriation abolishing 4 vacant positions. These vacancies are higher than the 2.03 necessary vacancies to meet the budgeted turnover rate of 4.05% in the fiscal 2027 allowance. This recommendation would result in a reduction of \$255,580. This recommendation consists of a reduction of \$36,207 in general funds and \$219,373 in federal funds.**

MDOA concurs with the recommendation in part, to reduce the \$219,373 in federal funds. MDOA does not have the underlying revenue to support this appropriation so there would be no impact from this reduction.

MDOA urges the committee to reject the recommendation to reduce \$36,207 in general funds. If not rejected, MDOA may be forced to keep vacant positions open longer. As a small agency with an incredibly lean budget already, this additional reduction would present a real challenge around future hiring and staffing.

**Supporting Older Adults with Resources Program Implementation Plan - pp. 12, 16 - DLS recommends adopting committee narrative requesting that MDOA submit a report with an updated transition plan that includes a description for how funds will be allocated in the SOAR program, in addition to program eligibility requirements, services offered, impacts on legacy participants, and expected administrative savings. Report on implementation due June 1, 2026 to include:**

- The status of consolidating administration of the legacy programs;
- The SOAR implementation timeline, noting the timeline of completed tasks and target dates for any remaining consolidation tasks;
- Details on how funding will be allocated to local Area Agencies on Aging;
- Discussion and estimates of administrative cost savings from the consolidation;
- Participant eligibility requirements to receive services;
- Services available to participants in SOAR, including discontinuation of any services provided in legacy programs; and

- **Impacts of the consolidation on legacy participants, including plans to transition legacy participants into new services and a description of how services differ for legacy participants in SOAR.**

MDOA concurs with this recommendation.

### **How SOAR Will Connect, Impact:**

Once this program consolidation was authorized by successful departmental legislation in 2025, MDOA along with external stakeholders, utilized the first half of FY26 focusing on synthesizing best practices, recommendations, and data to design the key features of the new program, Supporting Older Adults with Resources (SOAR).

The Hilltop Institute, *The Medicaid Long-Term Services and Supports (LTSS) in Maryland Chart Book*, as published in July 2025 and prepared for the Maryland Department of Health, reports utilization and expenditures for Medicaid-funded LTSS during FY2019-FY2023. This report, <https://www.hilltopinstitute.org/wp-content/uploads/publications/MedicaidLTSSInMD-NursingFacility-ChartBook-July2025.pdf>, identifies Maryland as providing home and community-based services to an increasing number of Medicaid recipients who otherwise would be served in a nursing facility. The report compared the LTSS expenditures of nursing facility and home and community-based populations noting the **HCBS users' average annual costs were 45% of nursing facility residents' average annual costs or in other words, Maryland nursing facility residents averaged an annual cost of \$55,753 compared to \$24,851 for HCBS users.**

As we prepare Maryland to be Longevity Ready, the SOAR model provides an opportunity to slow the growth of future long-term care costs. MDOA, through manual data collection and in partnership with AAAs, has identified significant numbers of current Senior Care and Senior Assisted Living Subsidy (SALS) participants, who are presumed to meet both the functional and financial eligibility requirements, based on person-centered assessments conducted, for Medicaid-funded Home and Community Based Services and Supports (HCBS). These individuals are required to meet a nursing facility level of care to be eligible for the current MDOA-administered, fully state-funded programs (Senior Care and SALS). As a result, a higher, more expensive level of care is provided through Senior Care and SALS leaving those older Maryland residents with lighter, more minimal to moderate care needs on lengthy waiting lists and without supports that could delay further disability, increased dependence, and more expensive care.

Additionally, as the State continues to face budget constraints and federal headwinds, using state-funded LTSS to duplicate federal HCBS programs denies the state of leveraging the Federal

Medical Assistance Percentage (FMAP) which is a federal match of a minimum of 50% for HCBS services.

**A better, more effective use of our precious state-funded SOAR dollars and as advised by multiple HCBS experts, is to focus on pre-Medicaid long term services and supports with these dollars to provide a lighter, lower cost intervention that promotes independence such as case management to assist with navigating very complex aging and social service systems, supervision and/or prompts versus hands-on care, transportation, and caregiver education and respite.** Presently, the average cost per participant across the existing MDOA Senior Care, SALS, and Congregate Housing Service Provider (CHSP) programs is \$6,040 annually. By phasing in updated eligibility that does not require moderate to maximum dependence and a nursing facility level of care, MDOA expects the AAAs to have the ability to coordinate lower cost interventions for more older Marylanders. While this program redesign will create new opportunities for state-funded HCBS, the reality is that waitlists will likely continue to exist due to the growth of Maryland's older adult population and as a result, increase in need and demand for HCBS services.

After a competitive solicitation process in late 2025, MDOA engaged a nationally recognized, reputable consultant, HCBS Strategies, to ensure that SOAR program launch during SFY27 is evidence-informed and effectively improves access to person-centered services that maintain health and independence for adults living in community based settings. MDOA tasked HCBS Strategies with reviewing all information already gathered as part of the SOAR redesign and LRM stakeholder engagement processes, including:

- the recommendations provided by a stakeholder workgroup including representation from nine AAAs in late fall 2025
- The final report of a competitive national technical assistance opportunity MDOA and MDH participated in over the past two years, convened by Advancing States with funding from Arnold Ventures.
- All other stakeholder engagement received over the past three years by MDOA incorporated into the Longevity Ready Maryland Plan.

MDOA is set to receive HCBS Strategies' final report this week. MDOA expects to have final decisions made internally and documented in advance of the March 11th, 2026 in-person meeting scheduled with MDOA and all AAA directors in St. Mary's County. MDOA has convened in-person meetings with all AAA directors twice a year, rotating locations from Worcester County, Washington County, with future meetings to be held in St. Mary's and Carroll County. In addition, MDOA leadership meets virtually with all AAAs as a group bimonthly. MDOA leadership has met with the executive leadership group of the Maryland Association of Area Agencies on Aging ("M4A") on a monthly basis and has continued to offer this availability

to current M4A leadership. MDOA intends to use all spring and summer AAA meetings to ensure adequate communication with AAAs about transitioning into SOAR in FY27.

**Managing for Results (MFR) Measures for Supporting Older Adults with Resources (SOAR) Program: DLS also recommends adopting committee narrative to request that MDOA establish new program goals and performance measures to submit with the annual Managing for Results submission for the SOAR program, including annual participant counts, to be included in the MFR submission with the fiscal 2028 budget.**

MDOA concurs with this recommendation. The four current MFR goals should be updated and expanded to assess program performance and can include participant counts.

**MDOA should provide the number of individuals on the waitlist for Senior Care as of June 30, 2025, and discuss changes in the number of individuals on the waitlist from fiscal 2024 to 2025. Additionally, MDOA should comment on how the SOAR consolidation will impact the waitlist to receive Senior Care services.**

As of June 30, 2024 the Senior Care waitlist totaled 2,591. On June 30, 2025, it totaled 2,010. As requested, the Senior Care waitlist size as of June 30, 2025 is below broken down by county. The reduction in waitlist numbers between FY24 and FY25 can be attributed to multiple factors, including: attrition (including getting services from another source), data integrity improvements, enhanced program leadership, strengthened local partnerships.

MDOA notes that in FY24 when the \$8 million Senior Care waitlist funds were added to the MDOA budget, at the conclusion of the FY24 legislative session, those waitlist funds were legislatively mandated to be used solely on waitlist participants. After FY24, all AAAs began keeping a waitlist, when some previously had not. Thus, the participation in the Senior Care program was tracked separately between “traditional” (non-waitlisted Senior Care participants) versus “waitlist” participants leading to more people being added to the Senior Care waitlists. MDOA maintains that waitlist size has never been an accurate or complete reflection of the unmet need.

<b>SENIOR CARE PARTICIPATION BY COUNTY FY25</b>	<b>TOTAL CLIENTS SERVED FY25 as of 6/30/2025</b>	<b>WAITLIST Clients as of 6/30/2025</b>
Allegany	142	1
Anne Arundel	316	171
Baltimore City	419	597
Baltimore County	363	153
Calvert	73	59
Carroll	62	7
Cecil	90	3
Charles	66	113
Frederick	113	70
Garrett	73	112
Harford	72	18
Howard	134	74
MAC- Dorchester	75	13
MAC- Somerset	122	11
MAC- Wicomico	60	276
MAC- Worcester	77	79
Montgomery	296	104
Prince George's	251	87
Queen Anne's	61	30
St. Mary's	42	19
USA - Caroline	66	0
USA- Kent	72	0
USA- Talbot	224	0
Washington	71	13
<b>TOTALS</b>	<b>3,340</b>	<b>2,010</b>

With respect to how the implementation of the SOAR program in the coming years will impact waitlists; see the discussion above on pages 4-6. Major SOAR tenets will be: equitable access to services statewide; providing the right level of service at the right time with the right payer source, and consistent data collection, analysis to lead to improved understanding of utilization of these state-funded services. SOAR funds should be put to their best and highest use, and viewed as part of a continuum.