

Department of Legislative Services
 Maryland General Assembly
 2026 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1151
 Health

(Delegate Hutchinson, *et al.*)

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

This bill requires the Division of Health Care Financing and Medicaid within the Maryland Department of Health (MDH) to study the impact of requiring Medicaid to provide reimbursement for room and board services provided by a hospice house. The study must (1) quantify overall Medicaid savings per death from the use of hospice care and (2) examine how reimbursement for room and board services would affect hospice readmission rates, improve hospice length of stay, result in a reduction in deaths in hospitals, and result in a reduction in emergency department utilization. By September 30, 2026, MDH must report its findings to the Senate Finance Committee and the House Health Committee. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Medicaid expenditures increase by \$52,000 (50% general funds, 50% federal funds) in FY 2027 only to complete the required report. Federal fund revenues increase accordingly.

(in dollars)	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
FF Revenue	\$26,000	\$0	\$0	\$0	\$0
GF/FF Exp.	\$52,000	\$0	\$0	\$0	\$0
Net Effect	(\$26,000)	\$0	\$0	\$0	\$0

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law: Under Maryland regulations (COMAR 10.07.22.02), “hospice house” means a residence operated by a Maryland licensed hospice care program that provides

home-based hospice services to hospice patients in a home-like environment and the care is not billed as general inpatient care.

Maryland Medicaid covers hospice services for patients whose physicians have certified that their life expectancy is six months or less. Medicaid covers the following hospice services: nursing care; medical social services; physicians' services; counseling services; home health aide; medical appliances and supplies (including drugs and biologicals); and physical and occupational therapy. In general, the services must be related to the palliation or management of the recipient's terminal illness, symptom control, or to enable the individual to maintain activities of daily living and basic functional skills. Short-term inpatient care is covered if it is provided in a participating hospice unit or a participating hospital or nursing facility that meets hospice standards.

MDH only provides reimbursement for room and board to hospice participants residing in skilled nursing facilities. The per diem rate is 95% of the skilled nursing facility rate. This complies with federal law, which prohibits Medicaid from reimbursing for room and board except in certain medical institutions. A hospice house is not a skilled nursing facility and does not qualify for one of the limited exceptions to this prohibition. Thus, should Medicaid reimburse for room and board services provided by a hospice house, it would require 100% State general funds.

State Fiscal Effect: Given the three-month timeframe to produce the report (due September 30, 2026), MDH advises that Medicaid expenditures increase by \$52,000 (50% general funds, 50% federal funds) in fiscal 2027 only for contractual services to prepare the report. Federal fund revenues increase accordingly.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: SB 611 (Senator Mautz) - Finance.

Information Source(s): Maryland Department of Health; Department of Legislative Services

Fiscal Note History: First Reader - February 20, 2026
js/ljm

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