

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1291
Health

(Delegate Roberts, *et al.*)

Public Health - Maryland Medical Assistance Program - Continuity of Care

This bill requires the Maryland Department of Health (MDH) to adopt regulations establishing a procedure to provide for the temporary continuation of services to maintain the continuity of care of specified Medicaid recipients. The regulations must apply to a Medicaid recipient who (1) is at least 65 years old; (2) has received in-home services under an MDH program within the immediately preceding six months; and (3) has experienced or is about to experience an interruption of services due to an administrative error or a technical issue experienced by MDH (and about whom MDH has been alerted by a specified case manager or care planner).

Fiscal Summary

State Effect: MDH can promulgate regulations using existing budgeted resources. Medicaid expenditures (100% general funds) increase by an indeterminate amount beginning in FY 2027 to provide a temporary continuation of services for eligible recipients, as discussed below. Revenues are not affected. **This bill increases the cost of an entitlement program beginning in FY 2027.**

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: To be eligible for the temporary continuation of services, a Medicaid recipient must take steps to resolve the administrative error or technical issue, including, as appropriate, filing an appeal, requesting a hearing, or reapplying for coverage.

A temporary continuation of services must begin on the first day that a Medicaid recipient faces a loss of services and continue for up to 52 consecutive days, or 1,248 service hours, whichever occurs first. The services provided under a temporary continuation may be only the services for which the recipient was previously approved.

The procedures established by MDH may not alter existing appeal or hearing rights or authorize MDH to bill the recipient for services provided during the temporary continuation of services.

Current Law: Maryland Medicaid covers a variety of home- and community-based services (HCBS). In partnership with the federal Centers for Medicare and Medicaid Services, MDH also implements HCBS waivers that allow older adults, people with disabilities, and children with chronic illnesses who might not otherwise qualify for Medicaid to access HCBS. Waiver participants must meet financial eligibility based on income and asset levels and medical eligibility requiring a need for institutional or facility levels of care. HCBS programs fund a variety of service types, such as case management, residential services, nursing, and personal care, that help individuals live at home, in a community setting, or in an assisted-living facility, rather than in a nursing facility or State health facility.

If a Medicaid recipient's eligibility is terminated, federal regulations ([42 CFR 431.231](#)) require that the recipient must appeal within 10 days of termination in order to maintain services while awaiting the appeal disposition. Service denials or service reductions may be appealed within 90 days. Each appeal must appear on a court docket. After the hearing, it can take up to 15 days for the disposition to be issued. Anecdotally, cases can take up to 18 months to receive an outcome. As of February 2026, the Office of Administrative Hearings is working to schedule appeals received in summer 2025. Between filing an appeal and reaching a final decision, participants retain their services. However, if the appeal is denied (not in favor of the participant), the participant is currently required to cover the cost for those services.

State Expenditures: MDH advises that, in calendar 2024, 13,974 Medicaid recipients aged 65 and older received in-home services through an HCBS waiver or program, including Community Options, Community First Choice, Community Personal Assistance Services, Increased Community Services, Community Pathways, Community Supports (administered by the Developmental Disabilities Administration), and Traumatic Brain Injury (administered by the Behavioral Health Administration). MDH estimates that, of those 13,974 recipients, 1,544 individuals were disenrolled from coverage during the year.

As noted above, when a recipient files an appeal and continues to receive services, they accept the risk of having to cover any costs during a benefits extension if the denial is upheld. The bill specifies that the procedures established by MDH *may not* authorize MDH

to bill the recipient for services provided during the temporary continuation of services. This would prohibit MDH from recovering the cost of services provided for which the recipient is ultimately determined to be ineligible.

The annual average cost of providing services to recipients aged 65 and older receiving in-home services through an HCBS waiver or program was \$27,266 per person in calendar 2024. The estimated cost to extend services is \$75 per day or a total of \$3,900 to provide up to 52 days of a temporary continuation of services per recipient (as specified under the bill). MDH assumes that no federal matching funds will be available for the temporary continuation of services.

The number of recipients aged 65 or older and receiving in-home services who experience an interruption of services due to an administrative error or a technical issue cannot be reliably estimated. Nor can the number of those recipients whose appeal will be approved (in favor of the recipient maintaining services) or denied (the recipient is determined no longer eligible to receive services and is otherwise required to pay for services provided during the appeal). Thus, Medicaid expenditures (100% general funds) increase by an indeterminate amount beginning in fiscal 2027.

For illustrative purposes only, to the extent that Medicaid must provide a temporary continuation of services for 10% of individuals aged 65 and older receiving in-home services who are disenrolled (an estimated 155 recipients), Medicaid expenditures increase by up to \$604,500 in general funds annually.

Additional Information

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

Designated Cross File: None.

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

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jg/ljm

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