

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 721

(Senator Waldstreicher)

Finance

Rules and Executive Nominations

**Developmental Disabilities Services - Expedited Eligibility Determinations for
Recently Relocated Individuals (Ralph's Act)**

This bill requires the Maryland Department of Health (MDH) to provide an expedited Medicaid eligibility determination for developmental disabilities services for specified individuals who received such services in another state and relocated to Maryland. If an individual is determined eligible, the individual must be placed in the crisis resolution category and given access to waiver services through the most appropriate reserve category as determined based on the services the individual received in their previous state of residence. If MDH determines that an individual who has not yet established residency in Maryland meets specified expedited eligibility criteria, MDH must determine whether the individual has a developmental disability. **The bill takes effect July 1, 2027.**

Fiscal Summary

State Effect: Even though MDH operations are affected, the department may be able to handle approvals with existing resources, as discussed below. Revenues are not likely affected.

Local Effect: The bill does not materially affect local government operations or finances.

Small Business Effect: Minimal.

Analysis

Bill Summary: “Dependent” means an individual with disabilities who (1) relies on support from an immediate family member who is a resident of the State or (2) has an

immediate family member who is a resident of the State and acts as the individual's legal guardian.

“Immediate family member” means a spouse, parent, adoptive parent, step-parent, grandparent, step-grandparent, sibling, step-sibling, child, or step-child.

MDH must provide an expedited eligibility determination for developmental disabilities services for purposes of enrollment in the Community Pathways waiver, to an individual if:

- the individual is a dependent;
- the individual received home- and community-based waiver services (HCBS) or similar services under a similar assistance program in another state for the immediately preceding 10 years;
- the individual moved to the State to live with the immediate family member on the death or incapacitation of the individual's caretaker in the other state; and
- the immediate family member on whom the individual is dependent has resided in the State for the immediately preceding 2 years.

In providing expedited eligibility determinations, MDH must (1) prioritize completed applications for review on receipt; (2) to the extent authorized by law, rely on documentation, diagnostic evaluations, eligibility determinations from the individual's previous state of residence, and any other documentation that MDH relies on when making other determinations; and (3) complete each expedited eligibility determination within 60 business days after receipt of a complete application. MDH may not waive substantive statutory eligibility requirements or requirements established by regulation for the assignment of a service priority category.

Current Law: Pursuant to Title 7 of the Human Services Article, “services” means residential, day, or other services that provide for evaluation, diagnosis, treatment, care, supervision, assistance, or attention to individuals with developmental disability and that promote habilitation of these individuals.

Medicaid Waiver Programs

The Development Disabilities Administration (DDA), within MDH, provides self-directed services through three special Medicaid waiver programs known as the Medicaid HCBS programs, including the Family Supports, Community Supports, and Community Pathways waivers. Medicaid waiver programs allow states to make exceptions to specified rules and enable services to be provided in different settings that are tailored to individuals with different needs or varying income levels. For those who qualify, the waiver programs offer

services within the community as an alternative to receiving services in an institution. Applicants must meet specific technical, medical, and financial criteria to receive services.

A participant in self-directed DDA services works with a coordinator of community services to identify needs and preferences and identify an allocated budget amount. A participant develops a self-directed budget for services authorized in their person-centered plan. Participants then select staff or vendors and arrange for services and supports as authorized in the person-centered plan.

Eligibility Determination

To be eligible for individual support services, an individual must have a severe chronic disability that (1) is attributable to a physical or mental impairment, other than the sole diagnosis of mental illness, or to a combination of mental and physical impairments and (2) is likely to continue indefinitely.

An applicant for services provided or funded, wholly or partly, by the State must apply to MDH in writing. Within 60 days after MDH receives the application, the Secretary must:

- determine whether there is a reasonable likelihood that the individual has a developmental disability or does not have a developmental disability, but may be eligible for individual support services; and
- if it is determined that an individual is eligible for support services, then (1) approve the application; (2) determine the nature of the disability; (3) determine the nature of services that the individual may require; (4) determine the type of environment in which any needed services could be provided with the least restriction on the liberty of the individual; (5) determine what types of evaluations, if any, the individual requires; (6) inform the individual of these determinations; and (7) inform the individual that these determinations are preliminary and may be subject to modification as a result of further evaluation.

Under Maryland regulations (COMAR [10.22.12.06](#)), upon determination of eligibility, DDA must send a letter to the applicant notifying the individual of the decision regarding the applicant's eligibility, service needs, priorities, and right to an informal hearing.

Pursuant to COMAR [10.22.12.07](#), DDA must base the recommendation regarding service priority on the determination that the individual meets the criteria for one or more of the following categories, which are listed in the order of priority in which applicants must receive services: (1) category 1, crisis resolution; (2) category 2, crisis prevention; and (3) category 3, current request.

To qualify for the crisis resolution category, the applicant must meet one or more of the following criteria:

- homeless or living in temporary housing with clear time-limited ability to continue to live in this setting with no viable non-DDA-funded alternative;
- at serious risk of physical harm in the current environment, as specified;
- at serious risk of causing physical harm to others in the current environment;
- in danger of losing DDA-funded residential services because of a lack of current day services;
- one who has lost DDA-funded day services, as specified; or
- living with a caregiver who is unable to provide adequate care due to the caregiver's impaired health, which may place the applicant at risk of serious physical harm.

Waiver Program Waitlists

Chapter 464 of 2022 required MDH to, among other things, develop plans to reduce the waitlists for seven specified waiver programs (including Family Supports, Community Supports, and Community Pathways waivers) by 50%, beginning in fiscal 2024. In February 2023, MDH [reported](#) plans, and the funding required, to reduce the waitlist and registries for several waiver programs by fiscal 2028.

In the November 2023 [report](#) submitted pursuant to the 2023 *Joint Chairmen's Report*, MDH indicated that each DDA waiver offers enrollment to a fixed number of people each year, set to reflect the available funding in the annual State budget. Once enrolled in a waiver, an individual occupies a "slot," or a unique placement in the waiver, until they no longer meet the program's eligibility requirements. Therefore, annually, a majority of overall slots are used by individuals carried forward from an enrollment in the previous fiscal year. DDA waiver program eligibility and reserve categories have been regularly amended to use resources with maximum efficiency and reach the most participants possible. Moreover, reserve capacity categories help to provide added flexibility in the function of DDA's waiver programs in a resource-constrained environment.

State Fiscal Effect: Under the bill, MDH must provide an expedited Medicaid eligibility determination for developmental disabilities services to determine whether certain individuals relocating to the State are eligible to receive specified DDA services. If MDH determines that an individual who has not yet established residency in the State meets expedited eligibility criteria, the department must determine whether an individual has a developmental disability.

MDH advises that providing an expedited determination for specified individuals under the bill places additional administrative burden on an already understaffed Office of Eligibility

Services, which impacts timely eligibility determinations for current Maryland residents and worsens current system backlogs. MDH asserts that the bill requires development of new policies, procedures, and requirements, all of which will require approval from the federal Centers for Medicare and Medicaid Services (CMS) as these waiver programs operate under federal authority. MDH also advises that additional staff is needed to ensure current pending cases are not adversely affected.

Nevertheless, the Department of Legislative Services (DLS) advises that, as the bill likely applies in a very limited number of cases, MDH can likely use existing resources to handle obtaining CMS approval and process, on an expedited basis, any such applications. This redirection of resources may delay processing of other applications. If, however, the availability of the expedited approval spurs more applications, including for those who cannot meet the eligibility criteria, another position is needed – at a cost of approximately \$80,000 on an annual basis, with those costs shared equally between general and federal funds.

Waitlist Impacts

MDH advises that the bill may negatively impact current Maryland residents on the waitlist for DDA services. More specifically, an individual who may qualify for the crisis resolution category under the bill may receive services before an individual who has been waiting for services in the crisis prevention or current request category. DLS notes that it is unclear how many out-of-State individuals may seek services in Maryland, or how many of these individuals may be determined eligible for services under the bill. However, the limitations on eligibility likely significantly limit the number of individuals who could qualify.

Additional Information

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

Designated Cross File: HB 1015 (Delegate Solomon, *et al.*) - Health.

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

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