



Report of the
Health and Social
Services Subcommittee
To the House Appropriations Committee

2025 SESSION

Recommendations, Reductions, and
Summary of Action Pertaining to:
House Bill 350

General Assembly of Maryland
House Appropriations Committee
Health and Social Services Subcommittee
2025 Session Membership Roster

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**Recommended Reductions
Health and Social Services Subcommittee**

<u>Agency</u>	<u>General Funds</u>	<u>Special Funds</u>	<u>Federal Funds</u>	<u>Higher Ed Funds</u>	<u>Total Funds</u>	<u>Positions</u>
2026 Budget Request						
Maryland Health Benefit Exchange	-\$267,761	\$0	\$0	\$0	-\$267,761	
Maryland Department of Health (MDH) Health Professional Boards and Commissions	0	-6,030,085	0	0	-6,030,085	
MDH Public Health Administration	-2,000,000	0	0	0	-2,000,000	
MDH Prevention and Health Promotion Administration	-5,700,000	0	0	0	-5,700,000	
MDH Behavioral Health Administration	-6,900,000	0	0	0	-6,900,000	
MDH Medical Care Programs Administration	-61,434,303	0	-101,305,828	0	-162,740,131	-8.0
Department of Human Services (DHS) Family Investment	-2,850,000	0	-201,100,000	0	-203,950,000	
DHS Office of Home Energy Programs	-14,607	-440,096	0	0	-454,703	
Department of Housing and Community Development	-155,581	0	0	0	-155,581	-1.0
Subtotal Fiscal 2026 Regular Budget	-\$79,322,252	-\$6,470,181	-\$302,405,828	\$0	-\$388,198,261	-9.0
Fiscal 2026 Total Budget	-\$79,322,252	-\$6,470,181	-\$302,405,828	\$0	-\$388,198,261	-9.0
Fiscal 2025 Deficiency Budget						
MDH Medical Care Programs Administration	-100,000,000	0	0	0	-100,000,000	
DHS Office of Home Energy Programs	0	-440,096	0	0	-440,096	
Department of Aging	-900,000	0	0	0	-900,000	
MDH Behavioral Health Administration	-9,000,000	0	0	0	-9,000,000	
Subtotal Fiscal 2025 Deficiency Budget	-\$109,900,000	-\$440,096	\$0	\$0	-\$110,340,096	
Total Fiscal 2025 Deficiency Budget	-\$109,900,000	-\$440,096	\$0	\$0	-\$110,340,096	
Grand Total Budget Bill	-\$189,222,252	-\$6,910,277	-\$302,405,828	\$0	-\$498,538,357	-9.0

ii.v

D26A07
Department of Aging

Budget Amendments

D26A07.03 Community Services

Add the following language:

\$900,000 in general funds is reduced from the fiscal 2025 appropriation for program D26A07.03 Community Services within the Department of Aging that was made for the purpose of the Senior Care program.

Explanation: This action reduces the fiscal 2025 general fund appropriation for the Senior Care program to more closely align with actual spending.

Amendment No. _____

D27L00
Maryland Commission on Civil Rights

Committee Narrative

D27L00.01 General Administration

Impact of New Positions on Case Assignment and Backlog Management: The Maryland Commission on Civil Rights (MCCR) has faced persistent challenges in case processing due to staffing limitations, contributing to delays and a backlog of cases awaiting assignment. In response to these issues, 12 new positions (including 1 contractual conversion) were added to support the agency’s investigative functions and improve case management. The committees request that MCCR submit a report assessing the impact of the additional positions on case assignment and management, including:

- an analysis of changes in case backlog and case assignment timelines following the hiring of the new positions;
- metrics tracking case resolution outcomes, including average processing time, number of cases closed, and proportion of cases resolved within established benchmarks;
- a discussion of operational improvements, including any changes in workflow, investigator caseloads, or coordination with involved parties;
- an update on the status of hiring the new positions, including any challenges encountered in the recruitment process and any ongoing challenges in retaining existing staff; and
- recommendations for further action or resources, if necessary, to sustain or improve progress, including any plans or studies related to staffing levels to ensure sufficient staff moving forward.

Information Request	Author	Due Date
Report on the impact of new positions on case assignment and backlog management	MCCR	December 15, 2025

D76
Maryland Office of the Inspector General of Health

Supplemental Budget No. 1

D76A01.01 Maryland Office of the Inspector General for Health

Strike the following language:

~~**MARYLAND OFFICE OF THE INSPECTOR GENERAL FOR HEALTH**~~

~~**28. D76A01.01 Maryland Office of the Inspector General for Health**~~

~~In addition to the appropriation shown on page 26 of the printed bill (first reading file bill), to support contractual conversions.~~

~~Personnel Detail:~~

Internal Auditor I	1.00	62,752
Administrative Officer III	1.00	68,943
Clinical Pharmacist	2.00	168,458
Fringe Benefits		149,088
Turnover Expectancy		502
Object .01 Salaries, Wages and Fringe Benefits		449,743
Object .02 Technical and Special Fees		-449,743
General Fund Appropriation		0
Federal Fund Appropriation		0

Explanation: Supplemental Budget No. 1 adds 4.0 new positions to the Office of the Inspector General for Health through contractual conversion. However, the Executive Department carries a sufficient number of vacancies that could be repurposed to fill these roles. This action deletes the 4.0 new positions

Amendment No. _____

D78Y01
Maryland Health Benefit Exchange

Budget Amendments

D78Y01.01 Maryland Health Benefit Exchange

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for general operating expenses. In fiscal 2026, the Maryland Health Benefit Exchange has new positions, which the agency indicates were funded as contractual full-time equivalents in fiscal 2025 within existing resources. As these personnel costs are budgeted with new positions, it is assumed the budgeted expenses from which savings previously were dedicated toward this purpose are not needed.	-267,761	GF
Total Change	-267,761	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	79.00	79.00		0.00
General Fund	5,479,878	5,212,117	-267,761	
Special Fund	18,271,700	18,271,700	0	
Federal Fund	24,048,316	24,048,316	0	
Total Funds	47,799,894	47,532,133	-267,761	

Amendment No. _____

Committee Narrative

Reinsurance Program Costs and Forecasts: The committees are interested in monitoring the costs of the State Reinsurance Program and future funding needs. The committees request that the Maryland Health Benefit Exchange (MHBE) submit a report that provides an updated forecast of spending and funding needs.

Information Request	Author	Due Date
Reinsurance program costs and forecast	MHBE	September 30, 2025

D78Y01

Budget Amendments

D78Y01.03 Reinsurance Program

Add the following language to the special fund appropriation:

, provided that \$13,000,000 of this appropriation made for the purpose of the Young Adult Subsidy program is contingent upon the enactment of legislation that extends the availability of subsidies in the Young Adult Subsidy program into calendar 2026.

Explanation: The fiscal 2026 allowance for Maryland Health Benefit Exchange includes \$26 million for the young adult subsidy program. However, the Young Adult Subsidy program will be terminated on June 30, 2026, with subsidies available only through calendar 2025, unless legislation is enacted extending or removing the termination date of the program. This language makes the appropriation for the young adult subsidy for the second half of the fiscal year contingent on legislation that extends the availability of subsidies under the program into calendar 2026.

Amendment No. _____

M00B0104
Health Professional Boards and Commissions
Maryland Department of Health

Budget Amendments

REGULATORY SERVICES

M00B01.05 Board of Nursing

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce special funds in the Board of Nursing to address a technical error.	-6,030,085 SF	
 Total Change	 -6,030,085	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	76.00	76.00		0.00
Special Fund	17,538,304	11,508,219	-6,030,085	
Total Funds	17,538,304	11,508,219	-6,030,085	

Amendment No. _____

M00F
Public Health Administration
Maryland Department of Health

Budget Amendments

OFFICE OF POPULATION HEALTH IMPROVEMENT

M00F02.07 Core Public Health Services

Add the following language to the general fund appropriation:

, provided that \$250,000 of this appropriation is contingent on the fiscal 2027 budget submission including in a separate program from core public health services formula funding all salary adjustments for State employees at local health departments provided since fiscal 2020, including but not limited to cost-of-living adjustments and increments. It is the intent of the General Assembly that beginning in fiscal 2027, the formula growth factors required by statute apply only to core public health services grant funding budgeted in program M00F02.07 from the prior year, exclusive of salary adjustments. The budget committees shall have 45 days from the date of the receipt of the fiscal 2027 budget submission to review and comment. Funds restricted pending submission of the fiscal 2027 budget may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if all salary adjustments for State employees at local health departments provided since fiscal 2020 are not in a separate program.

Explanation: The statute mandating annual formula growth to the core public health services budget for local health departments (LHD) does not specify what base amount should be used to apply an annual formula growth. As State employee salaries at LHD and core funding are budgeted together as grants, this growth factor has been applied to cost-of-living adjustments and increments in addition to a base of grant funding. This language states the intent of the General Assembly for budgets beginning in fiscal 2027 to apply formula growth factors only to the core grant funding for public health services, exclusive of salary-related adjustments and restricts funds pending the submission of the fiscal 2027 budget including salary adjustments for State employees at LHD in a separate program from core public health services grant funding.

Information Request	Author	Due Date
Separate program for LHD salary adjustments	Maryland Department of Health	With the submission of fiscal 2027 allowance

Amendment No. _____

M00F

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general funds for Core Public Health Services to eliminate growth from the fiscal 2025 working appropriation level. Per statute, the growth formula does not apply in fiscal 2026.	-2,000,000	GF
 Total Change	 -2,000,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Fund	113,500,173	111,500,173	-2,000,000	
Total Funds	113,500,173	111,500,173	-2,000,000	

Amendment No. _____

M00F03
Prevention and Health Promotion Administration
Maryland Department of Health

Budget Amendments

M00F03.04 Family Health and Chronic Disease Services

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general funds for tobacco use prevention and enforcement programs to the mandated level of \$18.25 million in total funds established by Chapter 37 of 2021.	-5,700,000	GF
 Total Change	 -5,700,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	223.20	223.20		0.00
General Fund	66,323,650	60,623,650	-5,700,000	
Special Fund	68,249,659	68,249,659	0	
Federal Fund	190,209,424	190,209,424	0	
Total Funds	324,782,733	319,082,733	-5,700,000	

Amendment No. _____

M00L
Behavioral Health Administration
Maryland Department of Health

Budget Amendments

M00L01.02 Community Services

Add the following language to the general fund appropriation:

Further provided that \$250,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Health submits a letter confirming that it has uploaded data on reimbursements to non-Medicaid providers through the Virtual Data Unit each month through May 15, 2026. The data shall include provider reimbursement spending in M00L01.02 and M00L01.03, separated by program and by service type within each program. The data shall be provided beginning with data through June 2025 submitted July 15, 2025, and on the same date in each subsequent month. The budget committees shall have 45 days from the date of the receipt of the confirmatory letter to review and comment. Funds restricted pending the receipt of data may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the letter is not submitted to the budget committees.

Explanation: The committees are interested in better understanding the spending on provider reimbursements by service type for spending outside of the Medicaid Behavioral Health Provider Reimbursements program. This language restricts funds pending submission of three reports on non-Medicaid provider reimbursements

Information Request	Author	Due Date
Submission of data on provider reimbursements	Maryland Department of Health	45 days from the receipt of the confirmatory letter

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$3,000,000 of this appropriation made for the purpose of behavioral health investments may not be expended for that purpose and may be used only to address pediatric hospital overstays. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

M00L

Explanation: This action restricts funds within the Community Services program to be used only to address hospital overstays among children and youth.

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$500,000 of this appropriation made for the purpose of harm reduction in the Behavioral Health Administration may not be expended for that purpose, but instead may be used only to provide funding to public higher education institutions for the purpose of providing drug detection products to students. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund.

Explanation: This action restricts funds within the Community Services program to be used only to provide funds to public higher education institutions for the purpose of providing drug detection products to students.

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.03 Community Services for Medicaid State Fund Recipients, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted.

Explanation: This language restricts the entire general fund appropriation for M00L01.02 Community Services for that purpose or for transfer for provider reimbursements in M00L01.03 Community Services for Medicaid State Fund Recipients, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

Amendment No. _____

M00L

Amend appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce the general fund appropriation for behavioral health investments due to the inclusion of funding for services that are billable to Medicaid.	-6,900,000	GF
 Total Change	 -6,900,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	82.00	82.00		0.00
General Fund	436,828,619	429,928,619	-6,900,000	
Special Fund	33,115,918	33,115,918	0	
Federal Fund	178,507,486	178,507,486	0	
Total Funds	648,452,023	641,552,023	-6,900,000	

Amendment No. _____

Committee Narrative

Report on Spending to Address Pediatric Hospital Overstays: In recent years in Maryland, bed capacity at State hospital centers and other inpatient settings has not sufficiently met the demand for inpatient behavioral health services. The Behavioral Health Administration (BHA) funds multiple programs to expand the number of appropriate beds to discharge adults and children ready to leave a State hospital as well as programs to support their transition back into their communities. The committees are interested in ensuring that BHA is investing funding in fiscal 2026 to address hospital overstays among children and youth and request that the Maryland Department of Health (MDH) submit a report including the following information:

- a fiscal 2026 spending plan for programs and services aimed at addressing pediatric overstays;
- a description of programs and services included in the spending plan;
- summary of any challenges that BHA foresees in fully expending funds per the spending plan; and
- actual fiscal 2026 expenditures from these programs as of October 31, 2025.

M00L

Information Request	Author	Due Date
Report on spending to address pediatric hospital overstays	MDH	December 1, 2025

Supplemental Budget No. 1

M00L01.02 Community Services

Add the following language to the special fund appropriation:

Amendment No. 3

On page 74, in line 33, after “Physicians” insert “, further provided that \$2,430,383 of this appropriation is contingent upon the enactment of HB 352 or SB 321 of 2025 allowing the use of Opioid Restitution Funds for this purpose”.

Explanation: This modification is a technical amendment to clarify the provision in the Budget Reconciliation and Financing Act of 2025 upon which the appropriation is contingent.

Amendment No. _____

Budget Amendments

M00L01.03 Community Services for Medicaid State Fund Recipients

Add the following language to the general fund appropriation:

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted.

Explanation: This language restricts the entire general fund appropriation for provider reimbursements in M00L01.03 Community Services for Medicaid State Fund Recipients for that purpose or for transfer to M00L01.02 Community Services, M00Q01.03 Medical Care Provider Reimbursements, or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements

Amendment No. _____

M00L

Add the following language:

\$9,000,000 in general funds is reduced from the fiscal 2025 appropriation for program M00L01.03 Community Services for Medicaid State Fund Recipients within the Behavioral Health Administration that was made for the purpose of provider reimbursements for behavioral health services for the uninsured population.

Explanation: The fiscal 2025 working appropriation is expected to exceed the level needed for provider reimbursements in this program by \$14.7 million in the fiscal 2025 working appropriation.

Amendment No. _____

Committee Narrative

CLIFTON T. PERKINS HOSPITAL CENTER

M00L10.01 Clifton T. Perkins Hospital Center

Report on Bed Capacity and Patient Length of Stay at Clifton T. Perkins Hospital Center (Perkins): Perkins is a State-owned maximum-security hospital center that houses and treats individuals court-ordered to seek treatment with the Maryland Department of Health (MDH). Several concerning patient and staff safety issues at the facility in calendar 2024 led to the dismissal of multiple employees in leadership positions. As of December 31, 2024, the facility carried a vacancy rate of more than 25%. In addition, MDH continues to receive increased numbers of commitment orders, and there is a dearth of appropriate beds to place patients ready for discharge. To better understand the extent to which Perkins can meet the needs of this population in Maryland, the committees request that MDH submit a report with data as of June 30, 2025. The report should include:

- number of total beds at Perkins;
- number of staffed beds at Perkins;
- number of occupied beds at Perkins;
- reasons for unoccupied beds;
- average (mean) length of stay, in days, of patient population each year since fiscal 2018;
- average (median) length of stay, in days, of patient population each year since fiscal 2018;

M00L

- number of court orders received to place individuals at Perkins each year between fiscal 2018 through 2024;
- description of current organizational oversight of the facilities; and
- description of reporting systems in place at Perkins for staff to express workplace safety concerns and the processes to evaluate and address concerns.

Information Request	Author	Due Date
Report on bed capacity and patient length of stay at Perkins	MDH	August 1, 2025

M00M
Developmental Disabilities Administration
Maryland Department of Health

Supplemental Budget No. 1

Amend the following language:

Amendment No. 4

On page 77, in line 9, strike beginning with “Further” through “Program” in line 13 and in line 1521 strike beginning with “, provided” “Further” through “Program.” in line 2025.

Explanation: This action makes a technical change to correct the line references to strike the correct contingent language.

Amendment No. _____

Budget Amendments

M00M01.01 Program Direction

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation made for the purpose of administration may not be expended until the Developmental Disabilities Administration submits a report to the budget committees with all fiscal 2025 closeout budget amendments and reasons for reversions. The report shall also include an update on the total amount of recoupments of bridge payments provided during the Long Term Services and Supports transition, the balance of the accounts receivables reflecting the recoupments, and any spending paid for with accounts receivables.

The report shall be submitted by September 15, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The Developmental Disabilities Administration had significant delays in submitting fiscal closeout budget amendments in fiscal 2024 and did not report spending paid for with accounts receivables created for recoupments of bridge payments given in the Long Term Services and Supports transition. The delays in submitting fiscal closeout information presents challenges to understanding agency spending.

M00M

Information Request	Author	Due Date
Fiscal closeout report and budget amendments	Maryland Department of Health	September 15, 2025

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that since the Developmental Disabilities Administration (DDA) has had four or more repeat audit findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$250,000 of this agency’s administrative appropriation may not be expended unless:

- (1) DDA has taken corrective action with respect to all repeat audit findings on or before November 1, 2025; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected.

The budget committees shall have 45 days from the date of the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2026. General funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise and shall revert to the General Fund if the report is not submitted.

Explanation: The Joint Audit and Evaluation Committee (JAEC) has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective action by the agency and a determination by OLA that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

If OLA reports that an agency failed to completely resolve or make adequate progress toward resolving those repeat audit findings, JAEC requests that \$250,000 in general funds is withheld from each agency’s appropriation in the fiscal year following the OLA report until more satisfactory progress has been made toward resolution of those repeat findings.

M00M

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$2,000,000 of this appropriation made for the purpose of administration may not be expended until the Maryland Department of Health submits a report each quarter to the budget committees on spending for the Developmental Disabilities Administration (DDA) Community Services program. The report shall include the following data on a monthly basis:

- (1) spending in the Long Term Services and Supports system by service provided, subprogram, number of participants receiving the service, and fund split;
- (2) enrollment by DDA waiver;
- (3) utilization by service;
- (4) annualized cost estimates for the rest of the fiscal year; and
- (5) monthly rates and year-to-date rates for each service type.

The first report shall be submitted by August 15, 2025, and shall include actual data for the Community Services program in the final quarter of fiscal 2025 and aggregate fiscal 2025 data. The other reports shall be submitted by November 15, 2025, February 15, 2026, and May 15, 2026. The funds may be released in \$500,000 increments following the submission of each report. The budget committees shall have 45 days from the date of the receipt of each report to review and comment. Funds restricted pending receipt of these reports may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the reports are not submitted to the budget committees. Funds will not be released if reports are late.

Explanation: DDA has completed transitioning all providers from a prospective payment model in the legacy system to a fee-for-service (FFS) reimbursement model in the Long Term Services and Supports (LTSS) system. This transition included establishing new rates based on an FFS reimbursement model. During the LTSS transition, actual spending in DDA's Community Services program significantly surpassed the legislative appropriation and spending forecasts of services in LTSS were inaccurate. This language restricts funds budgeted for

M00M

administration until the Maryland Department of Health (MDH) submits quarterly reports to the budget committees with monthly spending, enrollment, and utilization data.

Information Request	Author	Due Date
Report on community services spending	MDH	August 15, 2025 November 15, 2025 February 15, 2026 May 15, 2026

Amendment No. _____

M00M01.02 Community Services

Add the following language:

All appropriations provided for program M00M01.02 Community Services are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose.

Explanation: This annual language restricts funds appropriated to the Community Services program to that use only and prevents budgetary transfers.

Amendment No. _____

M00Q01
Medical Care Programs Administration
Maryland Department of Health

Budget Amendments

M00Q01.03 Medical Care Provider Reimbursements

Add the following language:

Provided that all appropriations provided for program M00Q01.03 Medical Care Provider Reimbursements are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to programs M00Q01.07 Maryland Children’s Health Program or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

Explanation: This language restricts funding for Medical Care Provider Reimbursements to that purpose only and prevents budgetary transfers to any program except M00Q01.07 Maryland Children’s Health Program or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

Amendment No. _____

Amend appropriation for the purposes indicated:

	<u>Funds</u>		<u>Positions</u>
1. Reduce funding for the Population Health Incentive Program in fiscal 2026 to provide performance incentive payments of up to 0.25% of anticipated capitated rates for managed care organizations. Supplemental Budget No. 1 reduces \$11.0 million in total funds for this purpose, and this action reduces the remaining \$7.0 million in total funds to provide only 0.25% of anticipated capitated rates.	-2,560,257	GF	
	-4,439,743	FF	
2. Reduce funding for Medicaid provider reimbursements to lower rates for managed care organizations in calendar 2025 to the bottom of the actuarially sound level.	-9,100,000	GF	
	-16,000,000	FF	
3. Reduce funding for Medicaid provider reimbursements to level fund physician evaluation and management rates at 98% of Medicare rates.	-4,800,000	GF	
	-7,400,000	FF	

M00Q01

4. Reduce funding for Medicaid reimbursements based on reduced enrollment expectations in fiscal 2026.	-35,000,000	GF
	-55,000,000	FF
 Total Change	 -134,300,000	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Fund	4,482,761,660	4,431,301,403	-51,460,257	
Special Fund	833,772,916	833,772,916	0	
Federal Fund	7,019,045,995	6,936,206,252	-82,839,743	
Total Funds	12,335,580,571	12,201,280,571	-134,300,000	

Amendment No. _____

Committee Narrative

Community First Choice (CFC) Program and Home and Community-based Options (Community Options) Waiver Financial and Registry Data: Recent efforts to expand home and community-based services have led to significant increases in CFC program expenditures, including spending under the Community Options waiver. The committees request that the Maryland Department of Health (MDH) submit a report on CFC program spending. The report should include monthly enrollment, utilization, and cost data that aligns with actual fiscal 2025 budget expenditures under the CFC program. Additionally, the report should provide:

- the number of budgeted Community Options waiver slots in fiscal 2025 and 2026;
- the number of Community Options waiver slots filled in fiscal 2025;
- the number of Community Options waiver applications sent to individuals on the registry each month and the results of that outreach (including the number of applications returned and processed);
- an update on changes to registry operations to improve efficiency in taking individuals off of the registry and efforts to determine financial and medical eligibility for individuals while they remain on the registry;
- an update on MDH staffing that supports the Community Options waiver, including the number of vacant regular and contractual positions and the status of procuring additional staffing assistance;

M00Q01

- the number of individuals on the Community Options waiver registry as of June 30, 2025; and
- an update on activities or efforts to implement the plan to reduce the Community Options waiver registry by 50% submitted to the General Assembly in February 2023.

Information Request	Author	Due Date
Report on CFC program and Community Options waiver financial and registry data	MDH	August 1, 2025

Quarterly Medicaid Enrollment Change and Application Processing: The Maryland Department of Health (MDH) completed its 12-month unwinding process following the COVID-19 public health emergency on April 1, 2024, in which the department redetermined all Medicaid and Maryland Children’s Health Program (MCHP) participants’ eligibility. To monitor Medicaid and MCHP enrollment trends after the unwinding period, the committees request that MDH submit quarterly reports with the following enrollment data on a monthly basis and divided by eligibility category:

- the number of eligibility renewals completed, including the number and share that were automatically renewed, with modified adjusted gross income (MAGI) cases and non-MAGI cases shown separately;
- the number of new individuals enrolled;
- measures of churn that reflect the number of individuals enrolled who previously received Medicaid or MCHP coverage and the timeframe of when they were last enrolled; and
- the number of individuals disenrolled, shown by reason for disenrollment, identifying procedural disenrollments and disenrollments due to overscale income, aging out, and other common reasons for disenrollment.

Additionally, the committees request that the quarterly reports include the following administrative data on a monthly basis:

- call center volume, average wait times, and any other data related to call center activities that are required to be submitted to the Centers for Medicare and Medicaid Services; and
- measures of application processing times and the total number of applications processed for MAGI cases and non-MAGI cases shown separately.

M00Q01

Information Request	Author	Due Date
Quarterly reports on Medicaid and MCHP enrollment and applications	MDH	July 15, 2025 October 15, 2025 January 15, 2026 April 15, 2026

Evaluation of Primary Care Programs and Initiatives: The Maryland Department of Health (MDH) and the Health Services Cost Review Commission (HSCRC) are implementing primary care and population health initiatives in coordination with the State’s Advancing All-payer Health Equity Approaches and Development (AHEAD) model. These efforts include launching the Medicaid Advanced Primary Care Program in fiscal 2026, establishing the Population Health Improvement Fund, and continuing to administer the Maryland Primary Care Program (MDPCP) that was first implemented under the Total Cost of Care model (the federal agreement before the AHEAD model). The committees request that MDH, in consultation with HSCRC, submit a report on implementation of the new initiatives, including design and initial activities of the programs, uses of any funding allocated to these initiatives, descriptions of fund sources supporting the initiatives, and estimated cost savings and provider incentives under the Medicaid Advanced Primary Care Program. The report should also include an evaluation of the effectiveness of the existing MDPCP. In particular, this evaluation should outline cost savings from the MDPCP reducing unnecessary utilization or hospitalization for patients participating in the MDPCP over the increased expenditures from provider incentives.

Information Request	Author	Due Date
Evaluation of primary care programs and initiatives	MDH HSCRC	November 1, 2025

Medicare and Medicaid Coverage of End-stage Renal Dialysis (ESRD) Patients: The committees request that the Maryland Department of Health (MDH) submit a report on Medicare and Medicaid coverage for dually eligible ESRD patients. The report should review Medicare application requirements for ESRD patients in Maryland, specifying Medicare application and eligibility requirements for ESRD patients enrolled in Medicaid. Additionally, the report should include:

- a review of other state policies and processes for enrollment of ESRD patients under 65 years old in Medicaid and Medicare;
- a review of Medicare eligibility and coverage of ESRD patients enrolled in Medicaid to assess Medicare eligibility gaps;

M00Q01

- potential gaps in coverage for ESRD patients enrolled in Medicaid and ways to address these gaps; and
- a process to assist ESRD patients enrolled in Medicaid to apply for Medicare, or if this process is not feasible, a rationale for why a process to assist ESRD patients apply for Medicare would not be feasible.

Information Request	Author	Due Date
Report on Medicare coverage of dually eligible ESRD patients	MDH	September 1, 2025

Fiscal 2025 Deficiency

M00Q01.03 Medical Care Provider Reimbursements

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding from a fiscal 2025 deficiency appropriation to account for an authorized transfer of funds from the Revenue Stabilization Account (Rainy Day Fund) to cover Medicaid shortfalls in fiscal 2025. Section 31 of the fiscal 2025 Budget Bill authorized a transfer of up to \$100 million from the Rainy Day Fund for this purpose.	-100,000,000	GF
Total Change	-100,000,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Fund	473,424,174	373,424,174	-100,000,000	
Special Fund	8,641,412	8,641,412	0	
Federal Fund	197,709,845	197,709,845	0	
Total Funds	679,775,431	579,775,431	-100,000,000	

Amendment No. _____

M00Q01

Budget Amendments

M00Q01.07 Maryland Children’s Health Program

Add the following language:

Provided that all appropriations provided for program M00Q01.07 Maryland Children’s Health Program are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to programs M00Q01.03 Medical Care Provider Reimbursements or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

Explanation: This language restricts funding for the Maryland Children’s Health Program to that purpose only and prevents budgetary transfers to any program except M00Q01.03 Medical Care Provider Reimbursements or M00Q01.10 Medicaid Behavioral Health Provider Reimbursements.

Amendment No. _____

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce funding for reimbursements under the Maryland Children’s Health Program based on reduced enrollment expectations for participants in the Healthy Babies initiative. Supplemental Budget No. 1 reduces \$14.8 million in total funds for this purpose.	-9,824,040 GF -18,187,505 FF	
Total Change	-28,011,545	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Fund	240,727,983	230,903,943	-9,824,040	
Federal Fund	447,066,257	428,878,752	-18,187,505	
Total Funds	687,794,240	659,782,695	-28,011,545	

Amendment No. _____

M00Q01

M00Q01.09 Office of Eligibility Services

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Delete funding for 8 long-term vacant positions that have been unfilled for more than two years, including 6 positions in the Office of Eligibility Services and 2 positions in Benefits Management and Provider Services. The Maryland Department of Health is authorized to allocate this reduction across programs within the Medical Care Programs Administration. Supplemental Budget No. 1 transferred 5 long-term vacant positions from the Office of Eligibility Services to the Department of Public Safety and Correctional Services for Medicaid eligibility determinations for incarcerated individuals prior to release.	-150,006 GF -278,580 FF	-8.00
Total Change	-428,586	8.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	163.60	155.60		8.00
General Fund	6,360,200	6,210,194	-150,006	
Federal Fund	10,358,691	10,080,111	-278,580	
Total Funds	16,718,891	16,290,305	-428,586	

Amendment No. _____

M00Q01.10 Medicaid Behavioral Health Provider Reimbursements

Add the following language to the general fund appropriation:

Provided that all appropriations provided for program M00Q01.10 Medicaid Behavioral Health Provider Reimbursements are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

M00Q01

Explanation: This language restricts funding for provider reimbursements in M00Q01.10 Medical Care Provider Reimbursements to that purpose or for transfer to M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements.

Amendment No. _____

Committee Narrative

Study on Cost Savings Associated with Certified Community Behavioral Health Clinics (CCBHC): Chapter 275 of 2023 requires the Maryland Department of Health (MDH) to apply for federal planning, demonstration, and implementation grants from the Substance Abuse and Mental Health Services Administration (SAMHSA) to expand CCBHCs in the State. The Budget and Reconciliation Financing Act of 2025 includes a provision that would eliminate this requirement. SAMHSA issued a CCBHC planning grant to MDH in fiscal 2025 totaling \$926,053, but MDH has estimated implementation costs to be unmanageable, given the State's economic outlook. The committees are interested in understanding the potential cost savings associated with investing in CCBHCs as well as the feasibility of leveraging federal funding for this purpose in the future. The committees request that MDH, in partnership with the Hilltop Institute, submit a report including the following information:

- anticipated implementation costs to participate in the demonstration program and a description of the methodology used to estimate these costs;
- potential payment for services, including prospective payment methodologies;
- a cost benefit analysis of the CCBHC model that includes potential cost savings related to emergency department visits and potentially avoidable hospital utilization, as well as improved health outcomes for CCBHC participants;
- data collection and analytic needs under the model;
- CCBHC implementation costs and cost savings in other U.S. states;
- description of impact on funding, service delivery, and types of services provided by Maryland CCBHCs currently in operation, should the federal SAMHSA planning and demonstration grants not be pursued; and
- impact on eligibility to participate in the planning and demonstration grant program in the future, should the current SAMHSA award not be accepted.

M00Q01

Information Request	Author	Due Date
Study on cost savings associated with CCBHCs	Behavioral Health Administration	May 1, 2026

Fiscal 2025 Deficiency

M00Q01.10 Medicaid Behavioral Health Provider Reimbursements

Add the following language:

Provided that all fiscal 2025 deficiency appropriations are to be used only for the purposes herein appropriated, and there shall be no transfer to any other program or purpose except that funds may be transferred to programs M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements. Funds not expended or transferred shall be reverted or canceled.

Explanation: This language restricts the entire general and federal fund deficiency appropriation for provider reimbursements in M00Q01.10 Medical Care Provider Reimbursements to that purpose or for transfer to M00L01.02 Community Services, M00L01.03 Community Services for Medicaid State Fund Recipients, or M00Q01.03 Medical Care Provider Reimbursements.

Amendment No. _____

N00A
Office of the Secretary
Department of Human Services

Budget Amendments

N00A01.01 Office of the Secretary

Add the following language to the general fund appropriation:

, provided that \$500,000 of this appropriation made for the purpose of administrative expenses in the Office of the Secretary may not be expended until the Department of Human Services submits a report detailing for the fiscal 2025 working appropriation as reflected during the 2025 legislative session and fiscal 2025 actual expenditures:

- (1) Assistance Payments program spending by public benefit program separately by program and fund source;
- (2) Foster Care Maintenance Payments program spending by placement type including average monthly cases, average monthly placement costs, and expenditures, along with detail on flexible fund spending by type of spending with detail for the program by fund source;
- (3) Temporary Assistance for Needy Families revenues, expenditures by program, and ending balance; and
- (4) special and federal fund sources of expenditures by program.

The actual spending detail shall reconcile to information reported to the Comptroller of Maryland or include an explanation of why the information does not reconcile. The report shall also provide explanations of General Fund reversions and special, federal, and reimbursable fund cancellations by program. In addition to the report submission, data shall be provided in an electronic format subject to the concurrence of the Department of Legislative Services. The report shall be submitted by October 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The fiscal 2024 closeout process of the Department of Human Services (DHS) included a number of errors including reporting expenditures to the Comptroller of Maryland that did not reflect actual expenditures for certain programs in total or by fund, general fund reversions in error, and overspending certain appropriations without reporting these expenditures. In addition, DHS was delayed in providing information on closeout for entitlement programs and other program spending to the Department of Legislative Services, and data provided was not always able to be reconciled against other reported data or data reported to the Comptroller of Maryland at closeout. This language restricts funds in the DHS Office of the

N00A0

Secretary pending the submission of a report with fiscal 2025 closeout information that reconciles to information provided to the Comptroller of Maryland and provides explanations of reverted and canceled funds.

Information Request	Author	Due Date
Fiscal 2025 closeout information	DHS	October 1, 2025

Amendment No. _____

N00B
Social Services Administration
Department of Human Services

Budget Amendments

N00B00.04 General Administration – State

Add the following language to the general fund appropriation:

Further provided that \$500,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services submits a report to the budget committees that provides data on hospital and hotel stays by children and youth in out-of-home placements. The report shall include, for each month of the period October 2023 through September 2025:

- (1) the number of youth in out-of-home placement served in emergency rooms for psychiatric evaluation or crisis and the average length of stay (ALOS) by month;
- (2) the number of youth in out-of-home placement served separately by medical hospitals and inpatient psychiatric hospitals and ALOS by month;
- (3) the number of days that youth in out-of-home placements served in hospitals were in the hospital longer than was deemed medically necessary by either the hospital or a judicial finding separately by type of hospital; and
- (4) the placement type after discharge separately by type of hospital, including identifying the number of youths placed out-of-state after discharge for fiscal 2024 and fiscal 2025.

In addition, the report shall include, for each month of the period October 2024 through September 2025:

- (1) the number of unique and total youth in out-of-home placements placed in hotels, by jurisdiction;
- (2) the ALOS for youth in out-of-home placements placed in hotels; and
- (3) summary information on youth placed in hotels by age category.

The report shall be submitted by December 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly continues to be interested in monitoring data about children and youth experiencing stays in emergency rooms or inpatient hospital settings longer than is medically necessary. In order to maintain oversight over this issue, the budget committees

N00B

have adopted annual narrative in recent years requesting that the Department of Human Services provide a report on hospital stays by children and youth in out-of-home placements. The General Assembly is also interested in understanding more about the number of children and youth experiencing stays in hotels. This language withholds funding until a report with data related to hospital and hotel stays is submitted, which contains current data as of September 1, 2025.

Information Request	Author	Due Date
Report on hospital and hotel stays	Department of Human Services	December 1, 2025

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a report to the budget committees on the number of child welfare services cases and positions required based on the caseload to meet the Child Welfare League of America (CWLA) caseload standards, by jurisdiction, for the following caseload types, as of September 1, 2025:

- (1) intake screening;
- (2) child protective investigation;
- (3) consolidated in-home services;
- (4) interagency family preservation services;
- (5) services to families with children – intake;
- (6) foster care;
- (7) kinship care;
- (8) family foster care;
- (9) family foster homes – recruitment and new applications;
- (10) family foster homes – ongoing and licensing;
- (11) adoption;

N00B

(12) interstate compact for the placement of children; and

(13) caseworker supervision.

The report shall also include a discussion of specific actions taken by the department and local departments of social services to reallocate positions, including the number of positions reallocated by type (caseworker or supervisor) between jurisdictions and identifying the jurisdictions that these positions were transferred from and to, in order to ensure that all jurisdictions can meet the standards for both caseworkers and supervisors.

The report shall also include an update on the status of work done by CWLA to develop new workload standards for child welfare staffing, the completion by DHS of its child welfare workforce analysis, and broader efforts by DHS to improve recruitment and retention of caseworkers.

The report shall be submitted by November 1, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly believes that maintaining an adequate child welfare workforce is essential to improving outcomes for children entering State care. In order to maintain oversight over this issue, this language withholds funding until a report with data related to the CWLA caseload standards is submitted, which contains current data as of September 1, 2025.

Information Request	Author	Due Date
Report on caseload data and filled positions assigned by jurisdiction for specified caseload types	DHS	November 1, 2025

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$100,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services submits data for fiscal 2024 and 2025 including:

(1) the percentage of children with no recurrence of maltreatment within 12 months of a first occurrence;

N00B

- (2) the rate of victimization per 100,000 days of foster care during a 12-month period;
- (3) rate of placement moves per 1,000 days of foster care;
- (4) exit to permanency within 12 months of entry into care;
- (5) the number of reports of adult abuse;
- (6) number of indicated or confirmed cases of adult abuse;
- (7) rate of removal into foster care;
- (8) rates of reentry into foster care for children within 12 months following exiting care to reunify with the child’s family of origin; and
- (9) rates of reentry into foster care for children within 12 months following exiting care to guardianship.

The fiscal 2024 data shall be submitted by July 1, 2025, and fiscal 2025 data shall be submitted with the Managing for Results (MFR) submission during the fiscal 2027 budget process. The budget committees shall have 45 days from the date of receipt of the fiscal 2027 MFR submission to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly is interested in receiving updates on the performance analysis measures of the Department of Human Services (DHS). This language withholds funding until MFR data are submitted for fiscal 2024 and fiscal 2025.

Information Request	Author	Due Date
MFR data for fiscal 2024 and fiscal 2025	DHS	July 1, 2025 With submission of the fiscal 2027 MFR data
		Amendment No. _____

N00B

Committee Narrative

Implementation of Provisions of the Family First Prevention Services Act (FFPSA): The committees are interested in continuing to receive updates on the implementation of evidence-based prevention practices and other services under provisions of the federal FFPSA and the outcomes of those programs and services for families and children served. The committees request that the Department of Human Services (DHS) submit a report including:

- a list of all evidence-based practices being implemented through fiscal 2025, including data on jurisdiction and the number of families and children served during the fiscal year;
- any new evidence-based practices being implemented during fiscal 2026;
- the status of the updated five-year Title IV-E prevention services plan;
- data on the effectiveness of implemented evidence-based practices at preventing occurrences of subsequent maltreatment and out-of-home placements from occurring as well as an evaluation of any other outcomes related to parent and child well-being;
- the current number of providers in the State that have received designation as a Qualified Residential Treatment Program (QRTP) to allow for federal reimbursement under the FFPSA, including if any additional providers received this designation during fiscal 2025 and if future solicitations of applications for QRTP designation are planned; and
- the status of the approval of the State’s revised cost allocation plan, including a discussion of the current ability of DHS to seek federal reimbursement for evidence-based prevention practices.

Information Request	Author	Due Date
Update on the implementation of provisions of the federal FFPSA	DHS	November 1, 2025

Child Fatalities Where Abuse or Neglect Are Determined to Be a Contributing Factor: The committees are interested in receiving updates on the number of child fatalities that involved child abuse and/or neglect. The committees request that the Department of Human Services (DHS) submit a report that provides data for calendar 2023, 2024 and 2025 separately by age category and jurisdiction.

N00B

Information Request	Author	Due Date
Report on child fatalities	DHS	January 7, 2026

N00F00
Office of Technology for Human Services
Department of Human Services

Committee Narrative

N00F00.05 Maryland Total Human-services Integrated Network

Report on the costs, implementation progress, and long-term sustainability of the Maryland Total Human-services Integrated Network (MD THINK): MD THINK has required significant investment and continues to face challenges related to rising costs, delays in implementation, and ongoing system enhancements. The committees request that the Department of Human Services (DHS) submit a report providing information on how it is working with the Department of Information Technology to address audit findings related to MD THINK as well as the current and future status of the platform, including:

- status of federal certification for the Child Support Management System (CSMS), including anticipated timing if certification is not yet complete;
- planned enhancements and improvements for MD THINK components (Eligibility and Enrollment; the Child, Juvenile, and Adult Management System; and CSMS), including specific timelines and cost estimates;
- projected spending beyond fiscal 2025, including detailed projections for fiscal 2026 through 2029 and anticipated federal contributions;
- maintenance and operations costs and activities, including ongoing support requirements for each MD THINK component;
- efforts to address data integrity issues, including measures taken to improve accuracy, reduce errors, and enhance data validation;
- steps DHS is taking to ensure long-term sustainability of MD THINK, including financial planning and resource allocation;
- plans to enhance data analytics and mobile accessibility, particularly for caseworkers and external users; and
- status of external agency integration, focusing on active and upcoming integration efforts rather than historical integrations.

N00F00

Information Request	Author	Due Date
Report on MD THINK costs, implementation progress, and long-term sustainability	DHS	December 1, 2025

N00G00
Local Department Operations
Department of Human Services

Budget Amendments

N00G00.01 Foster Care Maintenance Payments

Add the following language to the general fund appropriation:

Further provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall revert to the General Fund.

Explanation: This annual language restricts general funds appropriated for foster care maintenance payments to that use only. This restriction prevents a transfer of general funds to other programs that might create or increase a deficit in spending in the Foster Care Maintenance Payments program (N00G00.01).

Amendment No. _____

Committee Narrative

Monthly Data on Out-of-home Placement of Children and Youth: The committees are interested in receiving updates on Child Welfare Services data. The committees request that the Department of Human Services (DHS) submit monthly reports that provide data for each month of fiscal 2025 separately by jurisdiction on:

- child maltreatment for children and youth in out-of-home placements and type of response exercised (investigative and alternative);
- findings for completed investigations;
- children in out-of-home placements through DHS; and
- in-home family preservation services provided by DHS.

In addition to the report submission, data should be provided in an electronic format subject to concurrence of the Department of Legislative Services.

N00G00

Information Request	Author	Due Date
Report on out-of-home placement of children and youth	DHS	September 1, 2025, and each month thereafter through June 1, 2026

Implementation of the Foster Care Provider Rate Reform: The committees are interested in receiving an update on steps taken to implement the second phase of the new foster care provider rate reform. The committees request that the Department of Human Services (DHS) submit a report discussing the status of the second phase of the rate reform including steps taken in fiscal 2025 and year to date in fiscal 2026, as well as planned steps in fiscal 2027. DHS is also requested to provide information on the revised rates to be implemented as well as a comparison with costs under the current rate structure for those impacted by the second phase of rate reform. Additionally, the committees request DHS provide data on the number of children served within each class of the new rate structure as well as costs associated with each class for the first phase of rate reform implemented in fiscal 2025. This data should be provided separately for fiscal 2025 actual data and year-to-date in fiscal 2026.

Information Request	Author	Due Date
Report on second phase of rate reform	DHS	November 1, 2025

Costs Associated with Youths in Out-of-home Placements Placed in Hotels: The committees are interested in receiving data on the costs associated with placing youths in out-of-home placements in hotels. The committees request that the Department of Human Services (DHS) include in the fiscal 2027 budget detail for fiscal 2025 actual (to the extent possible), fiscal 2026 working, and fiscal 2027 allowance that separately identifies payments and anticipated payments for youth in out-of-home placements placed in hotels paid through the Foster Care Maintenance Payments program. The data should be provided as a subprogram within N00G00.01 Foster Care Maintenance Payments and in detail provided with submission of the fiscal 2027 allowance on spending by placement type.

Information Request	Author	Due Date
Costs associated with youths in out-of-home placements placed in hotels	DHS	With submission of the fiscal 2027 allowance

N00G00

Fiscal 2025 Deficiency

N00G00.01 Foster Care Maintenance Payments

Add the following language to the general fund appropriation:

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended or transferred shall revert to the General Fund.

Explanation: This annual language restricts general funds appropriated for foster care maintenance payments deficiency to that use only. This restriction prevents a transfer of general funds to other programs that might create or increase a deficit in spending in the Foster Care Maintenance Payments program (N00G00.01).

Amendment No. _____

Budget Amendments

N00G00.03 Child Welfare Services

Add the following language to the general fund appropriation:

, provided that these funds are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose except that funds may be transferred to program N00G00.01 Foster Care Maintenance Payments. Funds not expended or transferred shall revert to the General Fund.

Explanation: This annual language restricts general funds appropriated for the Child Welfare Services program to that use only or for transfer to N00G00.01 Foster Care Maintenance Payments.

Amendment No. _____

N00G00

N00G00.08 Assistance Payments

Add the following language:

Provided that all appropriations provided for program N00G00.08 Assistance Payments are to be used only for the purposes herein appropriated, and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall be reverted or canceled.

Explanation: This language restricts funding for the Assistance Payments program, which supports public benefits programs administered to the Department of Human Services (DHS), to that purpose only and prevents budgetary transfers to any other program. This language is consistent with actions on other entitlement programs and is generally similar to language added in prior years, except that it expands the restriction to all fund sources instead of just general funds. In the fiscal 2024 closeout process, DHS transferred special fund appropriation from the Assistance Payments program, which was needed to cover costs in the Assistance Payment program.

Amendment No. _____

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce administrative funds for the SUN Bucks program based on current staffing levels and vacancy savings. The Department of Human Services reports that only 80 of the 100 contractual full-time equivalents (FTE) are filled as of January 29, 2025. In addition, the current vacancy rate of 7.6% is substantially higher than budgeted turnover (6.1%), which produces approximately \$2.4 million of savings. A portion of the vacancy savings can be used to support these contractual FTEs.	-1,100,000 GF -1,100,000 FF	
2. Delete administrative funds for the SUN Bucks program to be added to an administrative program. Although for administrative purposes, these funds are included in the budget for the Assistance Payments program, which is used solely for the payment of public benefits. A separate action adds these funds to the Director's Office of the Family Investment Administration.	-4,700,000 GF -4,700,000 FF	
3. Reduce funding for the Public Assistance to Adults program to better reflect current caseload trends. The	-1,750,000 GF	

N00G00

caseload declined by 25% in fiscal 2023 and an additional 3% in fiscal 2024, which is not reflected in the fiscal 2026 allowance. This level of reduction would still leave a modest surplus to cover forecasted shortfalls in other public assistance programs.

4. Reduce federal funds in the Supplemental Nutrition Assistance Program (SNAP) based on lower than expected caseload. The fiscal 2026 allowance includes approximately \$1.86 billion for SNAP benefits. This level of funding could support more than 450,000 recipients, while the caseload in fiscal 2025 year to date is approximately 382,000. This reduction would leave an anticipated surplus of approximately \$150 million in the event that caseloads or benefits are higher than anticipated.	-200,000,000	FF
Total Change	-213,350,000	0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
General Fund	153,148,213	145,598,213	-7,550,000	
Special Fund	6,421,691	6,421,691	0	
Federal Fund	2,046,614,837	1,840,814,837	-205,800,000	
Total Funds	2,206,184,741	1,992,834,741	-213,350,000	

Amendment No. _____

Committee Narrative

SUN Bucks Participation and Administration: The fiscal 2026 allowance includes funding to support the second year of participation in the SUN Bucks program, formerly known as the Summer Electronic Benefit Transfer program. The committees are interested in continuing to monitor the operation of the program. The committees request that the Department of Human Services (DHS) submit a report that:

- provides details on the administrative costs of the program separately for fiscal 2025 and 2026, including the allocations by object of expenditure and purpose;

N00G00

- the number of regular positions or contractual full-time equivalents (FTE) supporting the program (including total and filled) and how these positions and contractual FTEs are allocated by budgetary program and/or jurisdiction if allocated within specific jurisdiction position complements;
- the number of children receiving benefits by jurisdiction and month of issuance, the total number of unique recipients, and the dollar amount of benefits provided by jurisdiction and month of issuance;
- the number of children receiving benefits that were directly certified and the number of children receiving benefits for which a separate application was submitted;
- describes collaboration with the Maryland State Department of Education and local education agencies to implement the program; and
- an update on the status of the Summer 2026 program including the timing of submission of the Notice of Intent to Participate and Interim and Final Plan of Operations.

Information Request	Author	Due Date
SUN Bucks participation and administration	DHS	December 1, 2025

Fiscal 2025 Deficiency

N00G00.08 Assistance Payments

Add the following language to the general fund appropriation:

. provided that these funds are to be used only for the purposes herein appropriated and there shall be no budgetary transfer to any other program or purpose. Funds not expended shall revert to the General Fund.

Explanation: This language restricts the general fund portion of the deficiency appropriation in the Assistance Payments program for the Temporary Disability Assistance Program to that purpose only. This restriction prevents a transfer of general funds to other programs consistent with actions on other entitlement programs and on the funding for the Assistance Payments program in fiscal 2025 included in the budget as enacted.

Amendment No. _____

N00H00
Child Support Administration
Department of Human Services

Committee Narrative

N00H00.08 Child Support – State

Child Support Performance Reports: The federal government evaluates states’ performance against five measures to determine federal incentive payments: paternity establishment; support order establishment; collections on current support; cases paying toward arrears; and cost effectiveness. Recent data from the Department of Human Services (DHS) Child Support Administration (CSA) shows that the agency is falling behind the federal performance goals in each of the five areas. Considering CSA’s transition of its primary data system, the Child Support Management System (CSMS), to make its agency’s processes and tasks more efficient, the committees are interested to understand how this new system is helping CSA achieve its performance goals.

The committees request that DHS submit three reports on performance using data as of June 30, 2025; September 30, 2025; and December 31, 2025. Each report should include the following:

- a discussion of factors affecting performance in the quarter;
- the State’s aggregate performance set against the five performance measures used to determine federal incentive payments;
- each jurisdiction’s performance set against the five performance measures used to determine federal incentive payments;
- the number of cases in each jurisdiction in the quarter;
- specific tasks related to each of the five performance measures that are streamlined, made more efficient, or made more complicated by the new CSMS; and
- the number of staff in each jurisdiction who have been trained and those who have yet to be trained in the new CSMS.

Information Request	Author	Due Date
Child support performance reports	DHS	September 15, 2025 December 15, 2025 February 28, 2026

N00I00
Family Investment Administration
Department of Human Services

N00I00.04 Director’s Office

Add the following language to the general fund appropriation:

, provided that since the Department of Human Services (DHS) Family Investment Administration (FIA) has had four or more repeat audit findings in the most recent fiscal compliance audit issued by the Office of Legislative Audits (OLA), \$250,000 of this agency’s administrative appropriation may not be expended unless:

- (1) DHS FIA has taken corrective action with respect to all repeat audit findings on or before November 1, 2025; and
- (2) a report is submitted to the budget committees by OLA listing each repeat audit finding along with a determination that each repeat finding was corrected.

The budget committees shall have 45 days from the date of the receipt of the report to review and comment to allow for funds to be released prior to the end of fiscal 2026.

Explanation: The Joint Audit and Evaluation Committee (JAEC) has requested that budget bill language be added for each unit of State government that has four or more repeat audit findings in its most recent fiscal compliance audit. Each agency is to have a portion of its administrative budget withheld pending the adoption of corrective actions by the agency and a determination by OLA that each finding was corrected. OLA shall submit a report to the budget committees on the status of repeat findings.

If OLA reports that an agency failed to completely resolve or make adequate progress toward resolving those repeat audit findings, JAEC requests that \$250,000 in general funds be withheld from each agency’s appropriation in the fiscal year following the OLA report until more satisfactory progress has been made toward resolution of those repeat findings.

Information Request	Author	Due Date
Status of corrective actions related to the most recent fiscal compliance audit	OLA	45 days before the release of funds

Amendment No. _____

N00100

Budget Amendments

Add the following language to the general fund appropriation:

Further provided that \$250,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services submits quarterly reports to the budget committees on application processing times, application denial rates, and case closures for benefit programs. In particular, the report shall include:

- (1) the number of applications processed by benefit type for Temporary Cash Assistance (TCA), Supplemental Nutrition Assistance Program (SNAP), Temporary Disability Assistance Program (TDAP), and Public Assistance to Adults (PAA) separately by month;
- (2) the average number of days to process applications by benefit type for TCA, SNAP, TDAP, and PAA separately by month;
- (3) the percentage of applications processed in 0 to 30 days, 31 to 45 days, and longer than 45 days by benefit type for TCA, SNAP, TDAP, and PAA separately by month of application;
- (4) the number and percentage of applications denied by benefit type for TCA, SNAP, TDAP, and PAA separately by month;
- (5) the number and percentage of applications denied by reason for denial and by benefit type for TCA, SNAP, TDAP, and PAA separately by month;
- (6) the number of case closures by benefit type for TCA, SNAP, TDAP, and PAA separately by month; and
- (7) the reasons for case closure by benefit type for TCA, SNAP, TDAP, and PAA separately by month.

The first quarterly report shall include data for February through April 2025, and each subsequent report shall provide data for the appropriate quarter. The first report shall be submitted by August 1, 2025, the second report shall be submitted by November 1, 2025, the third report shall be submitted by February 1, 2026, the fourth report shall be submitted by May 1, 2026, and the budget committees shall have 45 days from the date of the receipt of the fourth report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted to the budget committees.

Explanation: The General Assembly remains interested in tracking the timeliness of application processing as well as the reason for denials and case closures. This language restricts

N00100

funds pending submission of four quarterly reports on application processing times; application denial rates; reasons for application denials; and case closures for TCA, SNAP, TDAP, and PAA. Similar reports have been requested since fiscal 2022.

Information Request	Author	Due Date
TCA, SNAP, TDAP, and PAA applications and case closures	DHS	August 1, 2025 November 1, 2025 February 1, 2026 May 1, 2026

Amendment No. _____

Add the following language to the general fund appropriation:

Further provided that \$100,000 of this appropriation made for the purpose of administrative expenses may not be expended until the Department of Human Services (DHS) submits a report to the budget committees on implementation of required actions under the Voluntary Settlement Agreement with the U.S. Department of Health and Human Services Office for Civil Rights including the number of notifications required to be sent under the agreement, the number of notifications sent, the timeline for sending the notifications, the number of appeals filed as a result of the notifications and any other provisions of the settlement, the number of appeals that resulted in additional benefits required to be paid by DHS, the dollar value of benefits required due to the appeals, the timeline for benefit issuances due to the appeals, and other status updates related to the implementation of the agreement. The report shall be submitted by October 15, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: In October 2024, the U.S. Department of Health and Human Services Office for Civil Rights announced a settlement agreement with Maryland related to protecting civil rights of persons with disabilities, particularly as it relates to assessments, modifications, or accommodations for individuals with disabilities in the Temporary Assistance for Needy Families program. The settlement agreement includes a number of requirements of DHS including to provide notices to individuals whose cases were closed under certain circumstances and the development of a new assessment tool. DHS anticipates sending required notifications in spring 2025 and indicates that cases may be required to be reopened and/or retroactive benefits issued if individuals who receive notifications appeal the case closure or sanctions. This language restricts funds pending a report on the notifications sent and the outcomes of appeals, as well as other status updates related to the agreement.

N00I00

Information Request	Author	Due Date
Status of Voluntary Settlement Agreement implementation	DHS	October 15, 2025

Amendment No. _____

Add the following language:

\$4,700,000 in general funds and \$4,700,000 in federal funds is added to the appropriation for N00I00.04 Director’s Office within the Family Investment Administration within the Department of Human Services to be used for administrative expenses for the federal SUN Bucks program. Funds not expended for this added purpose may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund or be canceled.

Explanation: The fiscal 2026 allowance includes funding intended to support the administrative expenses of the federal SUN Bucks program within the Assistance Payments program, which is used only for payment of public benefits. There are two related actions. One reduces the funding available for administrative expenses due to availability of vacancy savings to support a portion of these expenditures and also due to current staffing levels for these costs. A second action deletes the administrative funds from that program to be added in this program. This action adds the funds to an administrative program to be used for the same purpose.

Amendment No. _____

N00I00.06 Office of Home Energy Programs

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce general funds for miscellaneous personnel expenses. In fiscal 2025, general funds associated with this type of spending were deleted as part of cost containment actions due to shifting of operational costs to special funds. The Office of Home Energy Programs administrative costs are otherwise fully support with special and federal funds.	-14,607	GF
Total Change	-454,703	0.00

N00100

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	14.00	14.00		0.00
General Fund	14,607	0	-14,607	
Special Fund	195,435,572	194,995,476	-440,096	
Federal Fund	92,701,274	92,701,274	0	
Total Funds	288,151,453	287,696,750	-454,703	

Amendment No. _____

Add the following language:

provided that \$250,000 of this appropriation made for the purposes of administrative expenses may not be expended until the Department of Human Services submits a report with data on energy assistance application processing times by local administering agencies (LAA) and overall program denial rates. The report shall include:

- (1) the number of applications received;
- (2) the average number of days to process an application; and
- (3) the number and percentage of applications processed within 30 days, 55 days, and longer than 60 days.

The report shall discuss the primary reasons for any substantial changes in processing times that have occurred for individual LAAs between fiscal 2024 and 2026 year-to-date data.

The report shall also provide application denial rates separately by benefit type as well as the share of application denials by reasons separately by benefit type. Data should include the number of applications initially denied due to incomplete information that were subsequently cured due to applicants providing missing information within the additional three months, as allowed under Chapters 638 and 639 of 2021. Fiscal 2024 and 2025 end-of-year actual data for denial rates shall be included in the report as well as fiscal 2026 data current through November 1, 2025.

The fiscal 2024 data shall be submitted by August 15, 2025, and fiscal 2025 and 2026 year-to-date data shall be submitted by December 31, 2025. The budget committees shall have 45 days from the date of receipt of the second report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

N00100

Explanation: The General Assembly continues to be interested in monitoring the application processing times and denial rates for energy assistance. In order to maintain oversight over this issue, the budget committees have adopted annual narrative in recent years requesting that the Department of Human Services (DHS) provide a report. This language withholds funding until a report is submitted for fiscal 2024, 2025 and 2026 year to date.

Information Request	Author	Due Date
Application processing times and denial rates	DHS	August 15, 2025 December 31, 2025
Amendment No. _____		

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce special funds associated with communication expenses in fiscal 2026 to level with fiscal 2024 actual expenditure.	-440,096 SF	
 Total Change	 -454,703	 0.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	14.00	14.00		0.00
General Fund	14,607	0	-14,607	
Special Fund	195,435,572	194,995,476	-440,096	
Federal Fund	92,701,274	92,701,274	0	
Total Funds	288,151,453	287,696,750	-454,703	

Amendment No. _____

N00100

Add the following language to the federal fund appropriation:

provided that \$23,287,887 of this appropriation made for the purpose of energy assistance shall be used for energy assistance only. Funds not expended for this restricted purpose may not be transferred by budget amendment or otherwise to any other purpose and shall be canceled.

Explanation: Budget detail indicated that \$23,287,887 of the fiscal 2026 allowance was labeled as an expense for Call Center. The Department of Human Services has indicated that was an error, and the funds are Low Income Home Energy Assistance Program grants to be used for energy assistance benefits. Given the high demand in the program, this language restricts the use of that fund for energy assistance benefits to ensure the funds are used for the intended purpose.

Amendment No. _____

Committee Narrative

Energy Assistance Participation Rates for Vulnerable Populations: The committees are interested in receiving data on energy assistance participation rates for vulnerable populations for federal fiscal 2024 and 2025. The federal fiscal 2024 data should be submitted by July 1, 2025, and federal fiscal 2025 data should be submitted with the Managing for Results (MFR) submission during the fiscal 2027 budget process.

Information Request	Author	Due Date
MFR data for federal fiscal 2024 and 2025	DHS	July 1, 2025
		With the fiscal 2027 submission of MFR data

Fiscal 2025 Deficiency

N00100.06 Office of Home Energy Programs

Amend appropriation for the purposes indicated:	<u>Funds</u>	<u>Positions</u>
1. Reduce special funds associated with communication expenses in fiscal 2025 to level with fiscal 2024 actual expenditures.	-440,096 SF	
Total Change	-440,096	0.00

N00100

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Special Fund	8,720,017	8,279,921	-440,096	
Federal Fund	22,171,207	22,171,207	0	
Total Funds	30,891,224	30,451,128	-440,096	

Amendment No. _____

S00A
Department of Housing and Community Development

Budget Amendments

DIVISION OF NEIGHBORHOOD REVITALIZATION

S00A24.01 Neighborhood Revitalization

Amend appropriation for the purposes indicated:

	<u>Funds</u>	<u>Positions</u>
1. Reduce 1.0 new position (N2614942). The Department of Housing and Community Development has 26 vacant positions as of December 31, 2024. The function of the new position could be filled by reclassifying an existing vacant position.	-155,581 GF	-1.00
 Total Change	 -155,581	 1.00

<u>Effect</u>	<u>Allowance</u>	<u>Appropriation</u>	<u>Amount Change</u>	<u>Position Change</u>
Position	56.00	55.00		1.00
General Fund	23,078,519	22,922,938	-155,581	
Special Fund	15,141,608	15,141,608	0	
Federal Fund	15,108,226	15,108,226	0	
Total Funds	53,328,353	53,172,772	-155,581	

Amendment No. _____

Sections

Add the following section:

SECTION XX State Child Fatality Review Team

SECTION XX. AND BE IT FURTHER ENACTED, That \$100,000 of the general fund appropriation of the Department of Human Services (DHS) Social Services Administration and \$100,000 of the general fund appropriation for the Maryland Department of Health (MDH) Prevention and Health Promotion Administration may not be expended until MDH and DHS submit a joint report to the budget committees indicating that the State Child Fatality Review Team has met publicly, the dates of the meetings to discuss child fatalities, a summary of the meeting, and the anticipated date for release of the annual report. The report shall be submitted by November 15, 2025, and the budget committees shall have 45 days from the date of the receipt of the report to review and comment. Funds restricted pending the receipt of a report may not be transferred by budget amendment or otherwise to any other purpose and shall revert to the General Fund if the report is not submitted.

Explanation: The General Assembly is interested in receiving updates on the State Child Fatality Review Team. This language withholds funds in DHS and MDH pending submission of a joint report detailing meetings of the State Child Fatality Review Team and the release of the annual report.

Information Request	Author	Due Date
Report on meeting discussing child fatalities	DHS MDH	November 15, 2025

Amendment No. _____