



Report on Maryland Medical Assistance Program - Employed Individuals With Disabilities

Pursuant to SB790/HB 822 - Ch. 845 and 846 of the Acts of 2024

January 2025

Introduction

Pursuant to Senate Bill 790/House Bill 822 (Chs. 845 and 846 of the Acts of 2024) the Maryland Medical Assistance Program within the Maryland Department of Health (the Department) is required to submit a report that addresses the fiscal and operational impact of the following:

1. Implementing an Employed Individuals with Disabilities (EID) Program that allows individuals age 65 and older, including options of eliminating or increasing the age cap with enrollment; and
2. Establishing a premium contribution for EID Program services that is based solely on an applicant's earned and unearned income (disregarding spousal income in its entirety).

2024 EID Program Expansion

Section 201 of Ticket to Work and Work Incentives Improvement Act (TWWIIA) along with provisions of the Balanced Budget Act of 1997 (BBA) opened the door for states to establish new optional eligibility groups with the goal of removing barriers to working for disabled individuals. Maryland first implemented the EID Program as a pilot program through the 1115 HealthChoice demonstration in 2006. The program was expanded to serve participants on a statewide basis through the state plan in October 2008. Maryland's EID Program is a Medicaid buy-in program for workers with disabilities who would be ineligible for Medicaid because of their earnings.

The EID Program enrolls individuals who are employed and:

1. Have a current determination of disability from either the Social Security Administration (SSA) or a Disability Determination Services, or
2. Had an SSA determination in the past and lost disability status for a reason other than medical improvement.

Effective January 1, 2024, the Department expanded the population eligible for the EID Program by establishing less restrictive financial eligibility requirements. This will enable more individuals with disabilities who are working to receive healthcare coverage. These changes include:

1. Lowering the age of eligibility from 18 to 16;
2. Eliminating the income requirement and disregarding all retirement accounts for participants;
3. Creating the flexibility of an Independence Account for participants;
4. Disregarding spousal income and assets as part of applicant eligibility; and
5. Setting new premium levels for higher-income recipients.

The Independence Account allows applicants to create a savings account upon determination of eligibility for EID that is treated as an exempt asset for the purpose of calculating eligibility for Medicaid and EID and will aid in the participant's pursuit of personal or financial independence.

The Department has established a new six-tier premium structure that begins at \$25 per month for those above 100 percent of the federal poverty level (FPL) but below 200 percent FPL and is

capped at 7.5 percent of monthly net countable income for those at 600 percent FPL and above. Participants with income up to 100 percent FPL do not pay a monthly premium.

Table 1. EID Program Monthly Premium by FPL

| Income as a Percentage of the Federal Poverty Level (FPL) | Monthly Premium |
|--|--------------------------------------|
| <100% FPL | \$0 |
| >100% to 200% FPL | \$25 |
| >200% FPL to 250% FPL | \$40 |
| >250% FPL to 300% FPL | \$55 |
| >300% FPL to 450% FPL | 4.0% of monthly net countable income |
| >450% FPL to 600% FPL | 5.0% of monthly net countable income |
| >600% FPL or greater | 7.5% of monthly net countable income |

Current Enrollment and Trends

As of September 2024, 839 participants were enrolled in the EID Program in fiscal year (FY) 2025 (see Table 2).

Table 2. Total Enrollment, Annually Ever Enrolled, FY 2020 through FY 2024 and FY 2025 Year to Date (September 2024), by Age¹

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 | FY 2025 |
|--------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 16 - 18 | - | - | - | - ² | 0 | 0 |
| 19 - 20 | 0 | 0 | * | 0 | 0 | 0 |
| 21 - 44 | 353 | 345 | * | 342 | 368 | 300 |
| 45 - 64 | 674 | 654 | 689 | 708 | 687 | 539 |
| Total | 1,027 | 999 | 1,032 | 1,050 | 1,055 | 839 |

¹ Values of ten and lower have been suppressed with an asterisk for privacy.

² The January 2024 expansion allowed for sixteen- and seventeen-year-olds to be eligible for EID where they were previously unable to enroll in the Program before that time. Any entry of “-” prior to January 1, 2024 indicates that this age group was not applicable for the Program.

Between calendar year (CY) 2020 and April 2023, Maryland Medicaid was not disenrolling participants who would otherwise have lost eligibility due to the continuous eligibility requirements mandated by the COVID-19 public health emergency (PHE). Collection of premiums was also suspended during the PHE and reinstated beginning January 2024. The continuous eligibility requirements led to unprecedented growth in the Maryland Medicaid Program and also impacted the EID Program to a lesser extent. Additionally, it led to enrollment in age groups that are not normally eligible for the EID Program, specifically those 65 and older, as seen in Table 3.

Beginning in April 2023, these participants would have started to be disenrolled from the EID Program as they no longer met the age requirements and their redetermination dates came to pass, leading to the sharp decline in 65+ participants from FY 2023 to FY 2024 in Table 3.

Table 3. Total Enrollment, Annually Ever Enrolled, FY 2020 through FY 2024, 65+

| | FY 2020 | FY 2021 | FY 2022 | FY 2023 | FY 2024 |
|-----|---------|---------|---------|---------|---------|
| 65+ | 15 | 39 | 65 | 96 | 19 |

The most frequently cited reason codes for disenrollment from the EID Program in FY 2023 and 2024 included (1) outstanding verification of information where an individual failed to provide verification or return their redetermination packet, (2) loss of employment, (3) aging out of the Program’s eligibility, and (4) closure to prevent dual participation in Medical Assistance.

Medicaid Buy-In for the 65+ Population in Other States and Potential Fiscal Impact in Maryland

Original Fiscal Estimate

As a part of its fiscal note submitted during the 2024 session for SB 790, the Department estimated the potential fiscal impact of expanding the EID Program to adults 65 and older. The Department assumed all other Program parameters (e.g., no income limitations, existing asset limitations, etc.) would be identical to the existing EID Program to ensure equity between enrollees, irrespective of their age. The Department originally estimated that in FY 2026 there would be 254 adults ages 65 and older potentially enrolled in the EID Program. This is based on historic enrollment trends and includes increased enrollment from the other EID Program expansions.

The Department estimated that each EID participant will cost \$664 per member per month (PMPM) in claims for services. This will be offset by premiums collected by the Department from EID participants. The Department assumed an average \$80.37 premium/month, which is based on historical premium collection.

The Department estimated that in FY 2026, the total cost of expanding eligibility to those to age 65 and older would be \$1.7 million. Half would be required to come from state general funds (less than \$890 thousand), with the other half coming from federal funds (less than \$890 thousand).

Since February, the Department has worked with stakeholders to refine the analysis. Two states, Connecticut and New Jersey, were identified as recently expanding their programs to include those 65 and older.

Connecticut

Connecticut has enrolled participants aged 65 and older into their EID-equivalent buy-in program Medicaid for Employees with Disabilities (MED-Connect) since 2006. Participants with income of up to \$75,000 per year are eligible for the state’s buy-in program assuming they meet the asset limit of \$10,000 for individuals and \$15,000 for couples, excluding certain retirement accounts.

Connecticut has instituted a premium structure wherein eligible participants at 200 percent of FPL and higher are charged a monthly premium equal to 10 percent of their income above the limit. The state has an exception for those between 250 and 450 percent FPL, who are required to pay no more than 7.5 percent of their total net family income in premiums.³ Connecticut does count spousal income when determining monthly premiums for their buy-in participants. Additionally, Connecticut has an enrollment “grace period” of up to one year after job loss if employment is lost due to no fault of the individual, enabling eligible participants to continue their buy-in enrollment while seeking new employment.

Table 4. Connecticut MED-Connect Premium Chart 2024

| Tier Levels | Countable Income | Monthly Premium Amount |
|--------------------|----------------------------------|---|
| None | <200% FPL | None |
| Tier 1 | ≥200% (excepting 250 - 450% FPL) | 10% of income above FPL limit |
| Tier 2 | 250 - 450% FPL | 10% of income above FPL limit to a maximum of 7.5% of net family income |

Applying the Connecticut Experience to Maryland

Based on Connecticut’s experience, the Department modeled the potential fiscal impact to cover the 65 and older population. In CY 2023, 16.6 percent of the enrollment in Connecticut’s program was ages 65 and older. From 2006 (when Connecticut expanded their program), to 2023, they saw an annual increase in enrollment of about 0.7%.

Applying these two rates to the Department’s Program, the Department estimates that 388 adults may be eligible (original estimate was 254). Using the same premium (\$80.37/month) and \$664 PMPM service amounts from the original estimate and the updated enrollment estimate (388), the total impact of expanding the EID Program to 65 and older would be \$2.8 million in FY

³ “Med-Connect, Medicaid for Employees with Disabilities,” Connecticut’s Official State Website, October 4, 2024, <https://portal.ct.gov/dss/health-and-home-care/disability-services/med-connect-medicare-for-employees-with-disabilities/med-connect-medicare-for-employees-with-disabilities/eligibility>.

2026, with 50 percent coming from state general funds (\$1.4 million) and the remaining amount coming from federal funds (\$1.4 million).

New Jersey

New Jersey began admitting participants aged 65 and older into their buy-in program (WorkAbility) in 2023. New Jersey has made multiple changes to their buy-in program in a phased approach throughout 2023 and 2024 as a result of state legislation passed in 2022.⁴ The changes enacted in 2023 included expanding buy-in program eligibility to anyone 16 and older, including 65 and older, and the removal of asset limits. As of 2024, eligibility is no longer limited based on income, although participants with income over 250 percent of FPL must agree to pay a premium, and spousal income is no longer counted when determining a participant’s eligibility or premium cost. New Jersey has a six-tier premium scale with monthly premiums ranging from \$0 to \$1,050 per month.

Table 5. New Jersey WorkAbility Premium Chart 2024⁵

| Tier Levels | Countable Income - % of Federal Poverty Level | Countable Annual Income | Equivalent Annual Earned Income, if no Unearned Income | Monthly Premium Amount |
|--------------------|--|--------------------------------|---|-------------------------------|
| None | ≤250% | ≤\$37,650 | ≤\$76,332 | None |
| Tier 1 | 251 - 350% | >\$37,650 - \$52,710 | >\$76,332 - \$106,452 | \$175 |
| Tier 2 | 351 - 450% | \$52,710 - \$67,770 | >\$106,452 - \$136,572 | \$350 |
| Tier 3 | 451 - 550% | \$67,770 - \$82,830 | >\$136,572 - \$166,692 | \$525 |
| Tier 4 | 551 - 650% | >\$82,830 - \$97,890 | >\$166,692 - \$196,812 | \$700 |
| Tier 5 | 651 - 750% | >\$97,890 - \$112,950 | >\$196,812 - 226,932 | \$875 |
| Tier 6 | >750% | >\$112,950 | >\$226,932 | \$1,050 |

Applying the New Jersey Experience to Maryland

From the original expansion month of March 2023 to March 2024, New Jersey saw 1,579 new participants enroll in their program. Of those, 810 were 65 and older; which accounts for approximately 12.7 percent of their total program enrollment. Applying this rate to Maryland, the Department estimates that 301 participants 65 and older would become eligible for the EID Program (original estimate was 254).

⁴ Carol Murphy and Britnee Timberlake, “Assembly, No. 487,” State of New Jersey 220th Legislature, October 4, 2024, https://pub.njleg.state.nj.us/Bills/2022/A0500/487_11.PDF.

⁵ “NJ WorkAbility,” New Jersey Division of Disability Services, October 4, 2024, <https://www.nj.gov/humanservices/dds/programs/njworkability/>.

Using the same premiums (\$80.37/month) and \$664 PMPM in service costs and the updated enrollment estimate (301), the Department estimates that it would cost \$2.1 million to expand EID services to the 65 and older population, with 50 percent (or \$1.0 million) coming from state general funds and the remaining 50 percent (\$1.0 million) coming from federal funds.

Fiscal Impact Summary and Other Considerations

Overall, both Connecticut and New Jersey saw higher levels of enrollment than the Department originally estimated. This drove both of the updated estimates higher than the Department’s original SB 790/HB 822 estimate.

Table 6. EID Expansion Fiscal Estimates

| | Estimated Enrollment | FY 26 Total | FY 26 FF | FY26 GF |
|---------------------------------|-----------------------------|--------------------|-----------------|----------------|
| Original SB 790/HB 822 Estimate | 254 | \$1,777,653.60 | \$888,826.80 | \$888,826.80 |
| <i>Updated Estimates</i> | | | | |
| CT Only | 388 | \$2,774,591.30 | \$1,387,295.65 | \$1,387,295.65 |
| NJ Only | 301 | \$2,140,092.96 | \$1,070,046.48 | \$1,070,046.48 |

Beyond the potential fiscal impact of this expansion, the Department has also had conversations with the Centers for Medicare and Medicaid Services (CMS) to assess the possible policy changes required to implement such a change. CMS has indicated that there exists a path forward to develop a Program that operates identically to the EID Program for individuals aged 65 and older through a State Plan Amendment (SPA).

Premium Changes - Spousal Income Disregard

The Department also evaluated the feasibility and impact of establishing a premium contribution for EID Program services that is based solely on an applicant’s earned and unearned income, thereby excluding spousal income. In its original fiscal note, the Department indicated that this requirement would have an indeterminate fiscal impact.

Data on marriage rates in Maryland’s EID Program is limited. As of September 2024, 21 of 829 EID participants reported being married. Of those 21 EID participant spouses, 14 have reported having earned income. The average EID spousal annual income is \$26,777 and the maximum is \$63,824. Of those that reported income, the average household income for EID participants was \$44,212 annually. For all married EID households, including those EID spouses whose reported income was \$0, the average annual household income was \$30,651 annually.

Due to the program changes in January 2024, there is potential for new enrollees to have household incomes that are different from those of existing enrollees. Further eligibility changes, such as expanding to individuals 65 and older expansion, would also change the earning profile of EID participants, including those who are married. As a result, the Department still estimates an indeterminate fiscal impact for excluding the spousal income.

Table 7 below illustrates what fiscal impact an individual EID participant’s countable net income might have on the Department as a result of their annual premium payments at various FPL estimates. Please note that an applicant’s income is reduced by approximately 50 percent to account for certain allowable disregards. Because of the current premium tier structure and the variation in monthly premium amounts based on a participant’s tier, the Department cannot reasonably determine what fiscal impact the elimination of spousal income will have on premium collection, other than that such an elimination would likely reduce annual premium revenue as a result of reducing a married participant’s total net countable income.

Table 7. Illustrative Example - Estimated Annual Premium of an EID Participant by Countable Net Income

| Countable Net Income | FPL Estimate (Household of 2) | Monthly Premium Amount/Tier | Annual Premium |
|-----------------------------|--------------------------------------|--|-----------------------|
| \$50,000 | 242% | \$40 per month | \$480 |
| \$100,000 | 485% | 5.0% of monthly net countable income (\$417/mth) | \$5,000 |
| \$200,000 | 971% | 7.5% of monthly net countable income (\$1,250/mth) | \$15,000 |

TWIAA and the BBA were designed to address barriers to work for disabled individuals, not necessarily marriage. Being married can impact eligibility for Medicaid for participants across all coverage categories, not just EID Program enrollees. The Department notes that creating a policy under which an EID enrollee’s spousal income and assets are completely disregarded results in this population being treated differently than any other married couple eligible for services through Medicaid, even other individuals with disability groups.

Unlike other fee-for-service (FFS) participants, participants in the EID Program are not subject to an income standard for either enrollment or redetermination, nor are spousal income or assets considered for eligibility determination. In comparison, FFS participants in the Community Aged, Blind, and Disabled (ABD) category are subject to a monthly income standard of \$350 for an individual and \$392 with a spouse, and waiver participants may not exceed 300 percent of the

federal benefit rate—which is lower than 300 percent FPL—as seen in Table 9.⁶ Previously, the income limit for EID participants was 300 percent FPL.

Additionally, the ABD participants are subject to an asset standard of \$2,500 for an individual and \$3,000 with a spouse, while waiver participants are limited to \$2,000 or \$2,500 depending on household size, categorically needy or medically needy, and the program’s coverage groups, as seen in Table 8. In comparison, the asset limit for EID participants is \$10,000 for an individual; spousal limits have been removed as of the January 2024 expansion, but were previously set at \$15,000.

Income eligibility rules for individuals who qualify on the basis of modified adjusted gross income (MAGI) also take into account the income of spouses when the married couple files taxes jointly or lives together. Income for MAGI adults is limited to households up to 138% FPL, with a slightly higher threshold of 250% FPL for pregnant women.

Table 8. Monthly Income and Asset Limit for Aged 65+, Blind or Disabled Effective February 1, 2024

| Household Size | Income Limit | Asset Limit |
|----------------|--------------|-------------|
| 1 | \$350 | \$2,500 |
| 2 | \$392 | \$3,000 |

Table 9. Monthly Income and Asset Limit for Waiver Programs Effective February 1, 2024⁷

| Household Size | Income Limit | Asset Limit |
|----------------|----------------------|-------------|
| 1 | \$3,645 <300% FPL | \$2,000 |
| 2 | \$4,930 <300% FPL | \$2,500 |

Stakeholder Engagement

SB 790/HB 822 also requires the Department to meet with stakeholders twice during the calendar year. The Department met with stakeholders over a series of three meetings during calendar year 2024 in order to better understand stakeholder priorities and concerns. These stakeholder meetings were held on May 13, July 15, and September 25, 2024.

⁶ “Income and Asset Limits by Coverage Group and Program,” Maryland Department of Health Medicaid Eligibility, October 4, 2024, <https://health.maryland.gov/mmcp/eligibility/Pages/incomelimits.aspx>.

⁷ Income and asset limits depend on household size, categorically needy or medically needy, and the program’s coverage groups

During these meetings, the Department shared the fiscal estimates and related information presented above to allow the opportunity for questions and discussion. Stakeholders also provided feedback on prioritization of these proposed program changes. The workgroup overwhelmingly identified expansion of the Program to individuals over 65 as a top priority. Loss of eligibility for the EID Program upon turning 65 was cited as a significant barrier for older disabled adults who wish to continue to work as well as a growing risk as the population ages generally.

This prioritization was echoed in survey results received by the Maryland Department of Disabilities (MDOD). MDOD distributed this survey to all EID Program participants as well as the larger network of the Maryland disabled community for the broadest representation of responses and received 141 completed surveys. Of the eight priority areas that were surveyed, the three highest priority areas based on percentage of responses were (1) earned income increased or eliminated for eligibility, (2) making it easier to re-enroll in EID, and (3) eligibility or continuation of Medicaid services after retirement for EID enrollees. The first priority was achieved with the expansions made in January 2024. Related to priority three, eligibility for participants past age 65 was ranked in fifth position, above disregarding spousal income and assets which were ranked in seventh and eighth position out of eight questions.

The Department has taken numerous steps to improve communications regarding the EID Program. Information on recent updates to the Department's website and other collateral were presented to stakeholders.⁸ Both the website and notices have been updated to meet plain language requirements and inform participants about the program changes. These updates simplify messaging to make it easier to enroll and re-enroll in coverage, and understand flexibilities regarding hardship options available to individuals unable to afford their premium. The Department has also started to use short URLs and QR codes to direct readers to the website they need.

Next Steps

Elimination of income standards and other expansions to EID Program eligibility criteria implemented on January 1, 2024, offer the opportunity for individuals who would not previously have qualified for coverage to now enroll in the Program. Stakeholder feedback makes clear that expansion of the EID Program to include those over 65 is their top priority. Allowing those over 65 to enroll or retain coverage would be expected to drive further enrollment increases and access to care. Expanding eligibility standards would require additional resources, which the Department estimates range from \$1.8 million total funds to \$2.8 million total funds annually.

The Department is dedicated to the successful implementation of the 2024 expansions to the EID Program and simplifying communications to raise awareness about changes in eligibility requirements. These efforts will ensure eligible individuals are able to enroll in, renew, and access EID Program benefits. The Department will continue to work collaboratively with stakeholders as it explores opportunities to continue improving on the EID Program.

⁸ "Employed Individuals with Disabilities Program," Maryland Department of Health, October 31, 2024, <https://health.maryland.gov/mmcp/eid/pages/home.aspx>.