



Maryland Medicaid Administration

Impact of Potential Medicaid Proposals to Maryland Medicaid

May 2025

Maryland Medicaid is the state's largest and most effective anti-poverty program. It covers 1,522,680 people, 25% of the state's population including almost half of all children in the state. It is also an economic engine of the state's healthcare system supporting 122,981 providers.

About Maryland Medicaid

Maryland Medicaid provides essential health care services across the lifespan.

- Over 40% of all Maryland births.
- 663,435 children and youth, almost half of all children in the state.
- 350,392 adults covered by Medicaid expansion.
- Medicaid is the #1 payer of long-term services and supports, including nursing homes.
 - Almost 80% of all nursing home revenue is paid by Medicaid.
 - 40,000 Marylanders receive home and community-based services (HCBS). Of those, 18,314 adults and children with developmental disabilities receive services.
- 300,000 individuals, covered for mental health and substance use services.
 - \$2.9 billion dollars annually in provider payments to more than 1,000 providers to support access to behavioral health services.

Medicaid is the largest source of federal funding to the state of Maryland, helping to provide economic security for all Marylanders.

- Annual Medicaid budget: \$14.6 billion (\$8.5 federal funding, \$6.1 in state funding).
 - Maryland receives 50% federal match for traditional Medicaid, 90% federal match for expansion population.
 - Overall, approximately 58% of the total annual Medicaid budget is covered by the federal government.

► Issue Date: 05/13/2025
Page 1

Services include:

- Hospital Care.
- Physician (Primary Care, Specialty).
- Prescription Drugs.
- Maternal Health (Covers >40% of Maryland births).
- Long-term nursing care, in nursing facilities and community (Maryland Medicaid is the primary payer - LTSS is not covered by Medicare).
- Behavioral health, including services for those with serious mental illness and treatment of substance use disorders.
- Community-based services for individuals with developmental disabilities.
- Dental.

Potential Medicaid Proposals

Congress and the Trump Administration have proposed Medicaid changes that would have a profound impact on Marylanders. These include per capita caps or block grants, mandatory work requirements, and more frequent eligibility checks. Such changes would cut Medicaid funding, make it harder to access health care, reduce payments to providers, and stall economic growth.

Table 1. Risk to Maryland

Potential Medicaid Proposals	Impacts Maryland	Est. Coverage Impact or Annual Loss of Federal Funds
Work Requirements Implementing work requirements would also increase state administrative costs.	Yes	~56,000 adults could lose coverage due to increased red tape, increasing Maryland's uninsured rate \$316.7 million in lost federal funds; administrative costs to the state would increase significantly
More Frequent Eligibility Checks Rather than check Medicaid eligibility every 12 months for adults in the expansion group, Congress proposes to increase eligibility checks to every 6 months for adults covered by Affordable Care Act expansion. This will lead to people losing coverage because of increased red tape and paperwork, not because they are no longer eligible. It will also increase state administrative costs and government inefficiencies.	Yes	~130,111 adults could lose coverage due to increased red tape, increasing Maryland's uninsured rate \$864 million in lost federal funds \$22.6 million in total increased state administrative costs

Potential Medicaid Proposals	Impacts Maryland	Est. Coverage Impact or Annual Loss of Federal Funds
Limit State Directed Payments State Directed Payments are funds to enhance Medicaid managed care payments to certain providers.	Yes	Total: \$175 million <ul style="list-style-type: none"> • \$30 million for Primary Care Investment to support Medicaid access to preventive and primary care. • \$25 million for the Maryland Quality Improvement Program (M-QIP). • \$120 million for the Emergency Medical Services Supplemental Payment Program (ESPP) to support access to ambulance services in urban and rural areas.
Assessments / Taxes Medicaid assessments on healthcare providers or managed care organizations help finance the state's share of Medicaid spending, to help increase access and improve care for people enrolled in Medicaid coverage.	Yes	Maryland leverages provider assessments on nursing homes, managed care organizations, and hospitals. Collective loss of federal funds would be up to ~\$2 billion.
Reduce Expansion Federal Medical Assistance Percentage (FMAP) by 10% if State Provides Healthcare for Undocumented Children and Families Congress proposes to reduce FMAP for states who “use their Medicaid infrastructure to provide health care coverage” for undocumented individuals, even when those programs are funded with state-only or non-Medicaid dollars.	Yes	\$400 million in federal funds due to a reduction in FMAP

Potential Medicaid Proposals	Impacts Maryland	Est. Coverage Impact or Annual Loss of Federal Funds
Reduce Expansion FMAP to 50% Maryland is a full Medicaid expansion state, providing coverage to adults up to 138% of the Federal Poverty Level (FPL). Full expansion states currently receive 90% federal match or a “federal medical assistance percentage (FMAP)” for costs for the expansion population. Over 350,000 Maryland adults are covered by Medicaid expansion.	Yes	>~\$1 billion
Eliminate Expansion Federal Medical Assistance Percentage (FMAP) Altogether	Yes	>~\$1.8 billion
Eliminate the “floor” of a 50% Federal Medical Assistance Percentage (FMAP) and use the per capita income formula to calculate a new FMAP. Maryland’s FMAP could drop to 47.55% from 50%; drop in FMAP would potentially also reduce CHIP, Community First Choice and Money Follows the Person funding.	Yes	>~\$350 million
Per Capita Cap on Federal Medicaid Spending The federal government could set a numerical dollar limit on federal Medicaid funding. In this case, the state would bear the full risk for unexpected events (e.g. pandemic or recession).	Yes	Unknown but would limit the state’s ability to pay for all necessary services.

Table 2. Maryland Medicaid Enrollment by County, March 2025

County	Traditional Medicaid Enrollment	Expansion Medicaid Enrollment	Total Medicaid Enrollment
Allegany County	17,045	5,168	22,213
Anne Arundel County	82,695	24,505	107,200
Baltimore City	186,118	63,163	249,281
Baltimore County	177,561	50,208	227,769
Calvert County	11,007	3,681	14,688
Caroline County	10,078	2,461	12,539
Carroll County	19,441	5,951	25,392
Cecil County	21,021	6,364	27,385
Charles County	28,724	8,492	37,216
Dorchester County	10,071	2,858	12,929
Frederick County	37,772	10,457	48,229
Garrett County	6,417	1,839	8,256
Harford County	39,030	11,890	50,920
Howard County	40,868	11,684	52,552
Kent County	3,694	1,207	4,901
Montgomery County	165,295	43,866	209,161
Out of State	868	612	1,480
Prince George's County	205,422	55,572	260,994
Queen Anne's County	6,445	1,856	8,301
St. Mary's County	7,491	1,895	9,386
Somerset County	17,189	5,377	22,566

► Issue Date: 05/13/2025
Page 5

County	Traditional Medicaid Enrollment	Expansion Medicaid Enrollment	Total Medicaid Enrollment
Talbot County	6,842	1,848	8,690
Washington County	37,738	10,448	48,186
Wicomico County	30,638	8,321	38,959
Worcester County	9,896	3,591	13,487
TOTAL	1,179,366	343,314	1,522,680