

# MAKOM

### Frequently Asked Questions (FAQ)

(Updated 4/9/2025; Newly added information is blue. 3/21 in orange. 4/03 in purple)

### Q: I've just seen that the newest budget proposal from the State shows an additional cut of \$28M?

**A:** Yes. Announced on 4/02, the State has proposed eliminating a planned 1% rate increase, which amounts to about \$14M in Maryland general fund and about \$14M in federal match.

#### Q: Why the additional cut?

**A:** We're not sure, other than to observe that the budget in Maryland must be a balance budget. Given Governor Moore's stated budget priorities AND against current and threatened revenue problems in the State, it's clear that additional cuts are required to achieve a balanced budget.

### Q: What was the amount of the cuts to IDD services in Maryland before the announcement of the additional \$28M in reductions?

A: The numbers are estimates and seem to change frequently. This isn't a lack of precision but is likely a feature of changing variables. The IDD system in MD is about \$2.9 billion, with countless variables. We started with \$457M in cuts, a combination of State general fund and federal match. Restorations in two tranches were made through budget supplementals, which ultimately restored about \$293M, which is what was announced on 20 March, leaving us with about \$164M in cuts remaining. With the additional \$28M, cuts aggregate to \$192M in total cuts.

#### Q: Didn't Makom announce good budget news just a few weeks ago?

**A:** We did. On 21 March. And, we believed that the budget compromise announced by the Governor's Office and legislative leadership was essentially the agreed Developmental Disabilities Administration (DDA) 2026 budget.

#### Q: How will this impact Makom?

**A:** Cuts to Makom look to be about \$1M or so, about 2.9%. We're also pointing out to our community that these cuts are on 2025 funds. For 2026, we expect our costs to

increase in the range of 3%. That's just inflationary pressure and typical increases in costs of doing business. At a \$35M budget, that 3% is about \$1M or so. So, we lose purchasing power that is \$2M or so.

#### Q: How is Makom advocating for the community and stakeholders?

A: As we have these past nearly 10 weeks, we are using our voices loudly and often. And, we need YOU, our community, to make YOUR voices heard. You have made a massive difference, and we have a short but critical three days to say NO!

#### Q: How are our elected legislators responding?

**A:** Members of the Maryland General Assembly have worked and continue to work very hard on our behalf. They are our champions, but they need to hear from us. They know the budget realities well. And, they know our community well. We believe that our elected leaders—OUR representatives—have this chance to once more represent US.

#### Q: I've seen news of restoration of funds for 2026. What is the update?

**A:** On 20 March, the Maryland House of Delegates passed its version of the State's 2026 budget. In it, about \$150 million was restored of the more than \$200 million in originally proposed cuts. The details pertinent to Makom services:

- The current "geographic differential" rate will drop to 10%. For Makom, the current geographical differential is 14.79%. In the original budget, the geographic differential was eliminated outright.
- Dedicated supports funding will be reduced from 87% "fully funded" to 86% full funded. In the original budget, there was significant structural/policy change proposed that would have dramatically limited access to certain people to dedicated supports.

#### Q: That's good news, but it's still a cut, isn't it?

A: Yes. Our analysis at Makom suggests a total cut to Makom funding from DDA of about 2.3%, more than \$809,000.

## Q: When these cuts were originally announced, it was over \$6 million in cuts to Makom, wasn't it?

**A:** Yes. We put the original cuts at between \$6-7 million.

#### Q: Okay, so what happens next?

**A:** The budget now goes to the Maryland State Senate. There are two basic possibilities from there:

- 1. The Senate could adopt the House of Delegates budget proposal entirely, in which case it will go through a typical process for a piece of legislation, and it would be expected to pass the House and Senate and become law at or before adjournment of the legislature on 7 April.
- 2. The Senate could come up with its own budget, different from the House version, in which case the two versions will go to what's called Conference Committee, a committee comprised of key members of both chambers to negotiate a single budget.

#### Q: Wait, so the good news from the House may change?

A: Yes, it could, but we don't expect it to. There may end up being small (but important) details that will need to be negotiated, but Senate and House leadership have been working in very close collaboration on this budget, and we have every reason to believe that it reflects the priorities of both chambers.

### Q: What were the original State of Maryland proposed budget changes to intellectual and developmental disabilities (IDD) funding in Maryland?

- **A:** The state of Maryland introduced unprecedented cuts to IDD system funding. There are 8 total cut and policy elements outlined in the Governor's budget, two (2) of which directly impact people supported by Makom. They are:
  - Dedicated Supports: Sometimes, people with IDD need additional, supplemental supports (called "dedicated" supports) to ensure their health and safety. The proposed budget changes the policy, significantly decreasing access to dedicated supports. Makom supports 36 people who benefit from dedicated supports. As originally proposed, this change would have resulted in a cut of approx. \$3.9M to Makom.
  - 2. **Geographical Differential:** Makom and other, similar community providers of IDD supports in Montgomery County and five other, high-cost MD counties, are paid what's called a "geographic differential" designed to account for higher costs of doing business in these six counties, as well as the higher cost of living in these areas. This practice is common in states across the country, and in Maryland has been in place for many years. The original proposal was to eliminate the geographic differential, which would have been an estimated \$3.7M in cuts to Makom.

\*\*\*These two reductions alone would have combined to be about 22% of Makom's budget.\*\*\*

Q: We saw Makom's announcement on Thursday, 2/20, that fiscal year 2025 proposed cuts had been restored. What does that mean?

A: Part of the 2026 budget proposal included cuts that would implement in our <u>current</u> fiscal year, which is fiscal year 2025. For Makom, that would have meant cuts in our funding for the current year of between \$1.2M and \$1.5M. However, the Governor's office and Leadership in the Maryland House of Delegates and Senate announced that 94% of those proposed cuts will NOT happen. This is an enormously good development.

#### Q: That sounds like really good news. What of the remaining 6% of the cuts?

**A:** The remaining 6% cuts are what we're calling low-impact cuts—most importantly, they are cuts that won't have a direct impact on Marylanders with IDD or the providers like Makom who support them.

#### Q: What prompted this important development?

A: Simply put, our stakeholders—people with IDD across Maryland, their families, provider agencies, folks who are part of the State's self-direction of services, friends and allies have done an unbelievable job of advocacy. Developmental Disabilities Administration Deputy Secretary Marlana Hutchinson, at the Maryland Senate hearing on the budget on 2/20 said it well: "The IDD community has spoken, and we have heard you." We also applaud real effort being put in by the Governor and his team, and the extraordinary effort by budget leadership in the General Assembly in both the House and Senate. We are all working together to find solutions.

Our work is nowhere near done. While we are very pleased about 2025, there is a significant challenge in front of us.

#### Q: Why has Makom been so concerned about these changes?

A: Simply put, these cuts would decimate life-supporting services and supports in Maryland for people with IDD and put thousands of Marylanders with IDD in immediate jeopardy. Funding reductions contemplated just two short months ago totaled \$457,800,000—nearly half a billion dollars—in one budget cycle, including more than \$200,000,000 in federal financial participation (i.e., Medicaid match).

#### Q: What about the federal Medicaid match?

- **A:** Like every other state in the nation, the State of Maryland's general funds are matched by the federal government (Centers for Medicare and Medicaid Services, or CMS) to support certain Home and Community Based Services (sometimes called "Medicaid waivers"), including Medicaid waivers that support people with IDD. For Maryland, the proposed cuts would have resulted in a forfeiture of \$222.8M in federal match.
- Q: There's also lots of news out of Washington, DC, about Congressional plans to cut federal Medicaid funding by as much as \$2.3 trillion over the next 10 years. How do federal policy and the Maryland State cuts intersect?

A: We continue to watch this dynamic carefully. In short, the answer is (a) yes, these two things would intersect, with the very real potential of increasing—potentially significantly—the cuts to Medicaid services beyond just what that Governor's budget held, and (b) Maryland's forfeiture of \$222.8M in federal matching Medicaid funding would have been made permanent if Congress shifts federal Medicaid to per capita funding, otherwise known as 'block granting' of Medicaid.

#### Q: Shouldn't we be fighting against threatened federal Medicaid cuts?

A: At this point, there are no specific proposals so we are taking a wait and see approach. There have been plenty of stated priorities in the narrative, and we're paying VERY close attention to this as well as what's going on in the State. We are leveraging our membership with ANCOR—the American Network of Community Options & Resources—and their Medicaid Resource Center as a source of current, accurate information AND ways to get involved.

### Q: We understand the State cuts generally, but the geographic differential is a little confusing. What is the differential?

A: Many years ago, Maryland went to great lengths to carefully study IDD system rates. As part of that, they considered the costs of delivering services. They hired a third-party, expert consulting firm, who looked at and analyzed Bureau of Labor Statistics (BLS) wage data, costs of living and doing business data for various parts of the State, and other variables in order to fully inform a methodology to determine rates of reimbursement paid to providers of community services. Out of those analyses, the consulting firm recommended—and the State adopted—a geographic differential for six Maryland counties, including Montgomery County. This is very common in states across the country and reflects the realities of cost of living differences across the State.

As an example of the impact of the differential—let's say the day support rate is set at \$30/hour (this isn't the actual rate, just using a round number to illustrate). A geographic differential is added to that rate when the service is delivered in Montgomery County that recognizes it is 20% more expensive to deliver the service in high-cost county, so the geographic differential rate is \$36/hour. Again, these are hypothetical numbers to illustrate the differential. Same service, but in the six counties—based on extensive analyses—in which it is more expensive to deliver it, a rate differential. You can check out 2023 (the most recent available) BLS data. Our quick analyses of the differentials based on those data is shown below.

https://www.bls.gov/oes	/current/o	essrcma.htm#M		
Area Occupational Emplo	yment and	Wage Estimates		
ice Occupations				
Occupation Title			% diff to	
Rehab Counselor	Soci	al/Human Svc. Assistant	Mean	DC-VA-MD-WV
\$ 2	3.68 \$	22.77	\$ 23.23	
\$ 2	4.70 \$	20.76	\$ 22.73	-2.13%
\$ 1	9.83 \$	19.36	\$ 19.60	-15.63%
\$	- \$	18.09	null	
\$ 1	9.34 \$	18.84	\$ 19.09	-17.80%
\$ 2	3.25 \$	21.94	\$ 22.60	-2.71%
\$ 2	0.49 \$	19.09	\$ 19.79	-14.79%
\$ 1	7.50 \$	19.52	\$ 18.51	-20.30%
\$ 2	0.85 \$	19.66	\$ 20.26	-12.79%
	Area Occupational Emplosice Occupations  Occ Rehab Counselor \$ 2 \$ 2 \$ 1 \$ 2 \$ 1	Occupations   Occupation T   Rehab Counselor   Social	Occupation Title           Rehab Counselor         Social/Human Svc. Assistant           \$ 23.68         \$ 22.77           \$ 24.70         \$ 20.76           \$ 19.83         \$ 19.36           \$ 18.09           \$ 19.34         \$ 18.84           \$ 23.25         \$ 21.94           \$ 20.49         \$ 19.09           \$ 17.50         \$ 19.52	Occupations   Occupation Title

# Q: So, if the geographic rate differential was cut altogether, every organization will be paid the same? That seems reasonable.

A: Yes, every organization will be paid the same. The problem is that housing and living expenses in Montgomery County are just plain higher than, for example, in Allegheny County. According to MIT, the living wage in Montgomery County, calculated on a wide range of cost of living variables, for a single adult with no children is \$27.12/hour, a whopping 53% higher than the living wage in Allegheny County of \$17.71/hour. If you're curious, you can look at the data to compare different counties in Maryland and elsewhere using the MIT Living Wage Calculator. So, the geographic differential was designed and adopted by the State to account for those differences. Most states in the country use a similar approach to assure services are available to people with IDD whether they live in a high-cost or low-cost area (which is reflected in the BLS data, shown via the link and table, above).

# Q: How will people we support and their families, our employees, and friends and supporters of Makom stay informed?

#### **A:** Makom is offering:

- Action Center: An online advocacy space to access related information and calls to action.
- Communication Channels: Regular updates via meetings, emails, and newsletters to keep employees informed.
- o **Open Door Policy:** Please come talk to any member of the Executive Leadership team if you have concerns. We all operate with an open-door policy.
- Feedback Mechanisms: Anonymous questions, concerns, or suggestions to gather employee input and address concerns. Click <u>Here.</u>

#### Q: What can our community do to help?

As of April 7, the Maryland state budget is final. This means that we can turn our attention to the federal side. However, there are too many unknowns in the federal space at this moment to have a more specific ask than this: Save Medicaid! We ask that you:

- Stay up to date on the latest news by visiting our <u>Action Center</u>.
- Click here to find your legislators.
- Click <u>here</u> to access a message that you can customize and send directly to your legislators.

#### Q: Why am I being asked to contact my local elected official?

A: This time, we're asking that our community reach out to THANK our elected officials! We asked them to help us, and they absolutely heard us and leaned in. We are all part of the IDD community or know and love someone who is a part of it, and our voices are always stronger together. Advocacy is important when we are threatened, but advocacy is every bit as important when it comes time to thank the officials who represent us. Now is that time. This is why we need your help to advocate, for yourselves if you have an IDD, for your friends and loved ones with IDD, and for the extraordinary employees who support them. We urge you to act by contacting your local representative using the information, tools and resources in this FAQ.

### Q: I'm an employee—is it a requirement of Makom to contact my state elected official?

A: No, this is completely voluntary and is in no way required. We hope all of our supporters—people we support, families, our employees, and a community full of people who care deeply about our loved ones, friends, neighbors, co-workers and others with IDD, will choose to join in with our advocacy efforts.

#### Q: Where can I find more information?

**A:** More information can be obtained via the following mechanisms:

- o **Internal Resources:** Makom will be sending regular updates.
- State Updates: <u>DDA MD</u>
- Community Updates: <u>Maryland Matters</u> <u>Disability Rights MD</u>
- Questions or Concerns: Contact David Ervin, Makom CEO, on 240.283.6001 or by e-mail at <u>dervin@makomlife.org</u>.

Makom deeply values your dedication to people with IDD and our work. As much if not more than ever in Makom's 42-year history, we need our community to stand and be counted. We are voters, we are taxpayers, and we are devoted to our mission to support and empower people with IDD to achieve the quality of life to which they aspire.