How Federal Changes to Medicaid Will Impact Health Care in Maryland

June 2025

Maryland Medicaid by the Numbers (1 of 2)

Medicaid is one Maryland's largest and most effective anti-poverty programs.

- **Current Enrollment:** 1,522,680 individuals as of March 2025, nearly 25 percent of the state's population.
  - 663,435 18 and younger - almost half of all children in the state
  - 350,392 adults covered by Medicaid Expansion
  - More than two-thirds are people of color
  - Enrollment is up eight percent from 1,415,631 individuals in February 2020.
- **Provider Enrollment:** 122,981 providers enrolled (doubled in last decade)
  - More than 1,000 behavioral health providers across 5,000 locations
  - Medicaid provides 80 percent of all nursing home revenue.
- **Services**
  - Services incl. hospital care, primary care, specialty care, prescription drugs, maternal health, long-term nursing care, behavioral health, HCBS, dental.
  - Medicaid covers more than 40 percent of all of the state's births.
  - 40,000 recipients of home and community-based services (HCBS)
  - 300,000 recipients of behavioral health services

$14.6 billion Annual Budget

50% federal match for traditional Medicaid, 90% federal match for expansion

Approximately 58% of total annual budget covered by the federal government

96% attributable to care and services

~20% of the state's budget

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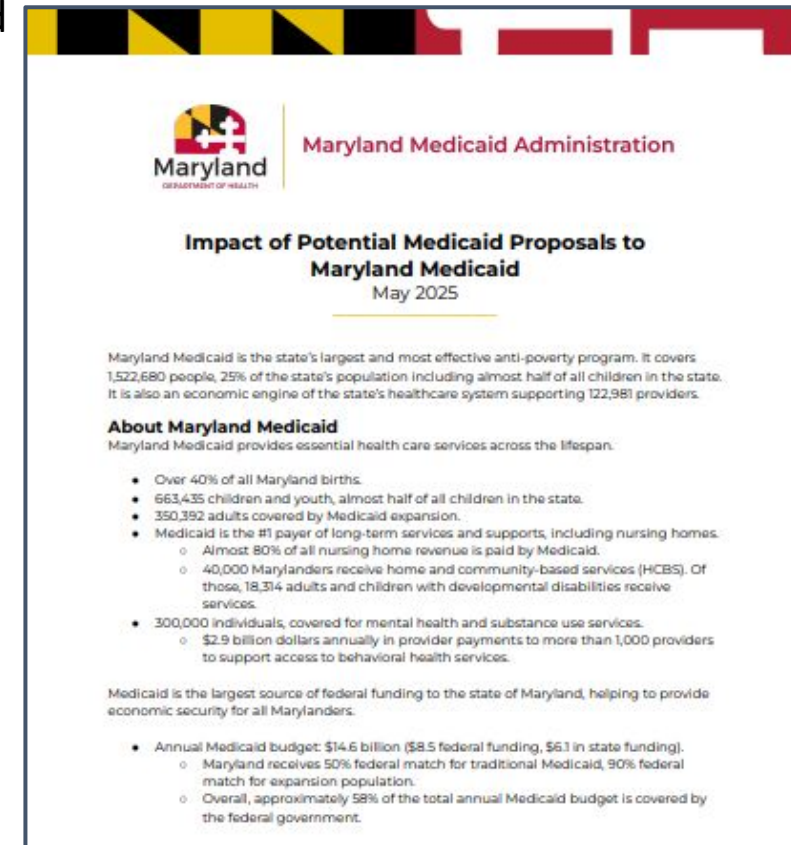
Maryland Medicaid by the Numbers (2 of 2)

Maryland has 23 counties and one independent city (Baltimore) for a total of 24 local jurisdictions. Five counties have over 50 percent of the state's Medicaid enrollment.

Total Enrollment: Out of a state population of 6,263,000 people, 1,522,680 (24%) are enrolled in Medicaid

	County	County Population	Medicaid Enrollment
1	Prince George's County	970,770	260,994 (27% of county)
2	Baltimore City	568,271	249,281 (44%)
3	Baltimore County	873,130	227,769 (26%)
4	Montgomery County	1,197,150	209,161 (18%)
5	Anne Arundel County	632,200	107,200 (17%)
	Total	**4,241,521** *68% of total population*	**1,054,405** *70% of total enrollment*

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Potential Federal Changes | Proposed

- **Work Requirements:** ~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:** Eligibility checks every 6 months could lead to ~130,111 adults losing coverage due to increased red tape, increasing Maryland's uninsured rate. Would also lead to $864 million in lost federal funds and $22.6 million in total increased state administrative costs.

- **Limit or Eliminate Provider Taxes / Assessments:** Maryland leverages provider assessments on nursing homes, managed care organizations, and hospitals. Collective loss of federal funds would be up to ~$2 billion.

- **Penalize States for Coverage for Undocumented Children and Families:** ~$400 million in lost federal funds due to a reduction in federal medical assistance percentage (FMAP).

Fact Sheet Link:
https://health.maryland.gov/newsroom/SiteAssets/Pages/Impact-of-Potential-Medicaid-Proposals-to-Maryland-Medicaid/Maryland%20Medicaid%20Fact%20Sheet_05.13.25_232pm.pdf

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.

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Potential Federal Changes | Discussed, Not Included

- **Reduce Expansion FMAP to 50%:** ~$1 billion in lost federal funds. Full expansion states currently receive 90% federal match or FMAP for costs for the expansion population.

- **Eliminate Expansion FMAP Entirely:** ~$1.8 billion in lost federal funds.

- **Eliminate the "floor" of a 50% FMAP and use the per capita income formula to calculate a new FMAP:** ~$350 million in lost federal funds. Maryland's FMAP could drop to 47.55% from 50%.

- **Per Capita Caps:** Impact unknown, depending on proposalThe 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).

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.

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Medicaid MYTHS

FALSE: Adults with Medicaid do not work.
Research shows that two-thirds of adults 19-64 enrolled in Medicaid work. The majority that don't are not working because of caregiving responsibilities, illness or disability, or school. Work requirements creates more red tape, kicking eligible people off coverage, and is administratively expensive for states to implement. Health coverage makes it possible for people to get the healthcare and medications they need so they can work.

FALSE: Medicaid is inefficient.
The Maryland Medicaid program is highly efficient compared to private insurance companies. Maryland Medicaid has a medical loss ratio of 96%, meaning we spend 96% of our funds on healthcare services.

FALSE: Medicaid is only for low-income people who are unemployed.
Medicaid covers people across the lifespan. In Maryland, we cover 40% of births, almost half of all children, and the primary insurance for nursing homes, making up 80% of nursing home revenue. We cover children, adults, veterans, people with disabilities, and older adults.

FALSE: Medicaid is a drain on the state's economy.
While Medicaid does require state funding, it also provides significant benefits to Maryland's economy. It is an economic engine of the state's healthcare system supporting over 120,000 providers in hospitals and clinics across the state. By ensuring access to healthcare, it helps prevent costly emergency room visits and long-term healthcare issues.