



December 14, 2025

The Honorable Mehmet Oz, M.D.  
Administrator  
Centers for Medicare and Medicaid Services  
7500 Security Boulevard  
Baltimore, MD 21244-1850

*Submitted electronically via Medicaid.gov*

**Re: Section 1115 HealthChoice Demonstration Extension Application**

Dear Administrator Oz:

On behalf of Families USA, thank you for the opportunity to comment on Maryland's proposed Section 1115 HealthChoice Medicaid Demonstration Extension Application (HealthChoice Demonstration). Families USA is the leading national, non-partisan voice for health care consumers, dedicated to achieving high-quality, affordable health care and improved health for all, including the more than 1.4 million Marylanders who access health care coverage through Maryland's Medicaid program.<sup>1</sup>

**Families USA supports Maryland's HealthChoice Demonstration and commends the Maryland Department of Health (MDH) for endeavoring to put in place cost-effective programs in the state that positively impact the lives of vulnerable Medicaid enrollees, including pregnant women and formerly incarcerated people, and support the health care institutions that care for them. We strongly urge the Centers for Medicare and Medicaid Services (CMS) to approve the waiver in full.**

Through this demonstration extension application, MDH proposes to extend its HealthChoice Demonstration through December 31, 2031 (the current demonstration expires December 31, 2026). While the HealthChoice Demonstration includes many important programs, our detailed comments focus specifically on two demonstrations that MDH proposes to continue during its eighth renewal cycle:

- I. Inpatient Benefit for Pregnant Women Eligible through Hospital Presumptive Eligibility
- II. Reentry Demonstration

**I. Inpatient Benefit for Pregnant Women Eligible through Hospital Presumptive Eligibility**

In all states, pregnant women are eligible for full Medicaid coverage at any point during pregnancy if they meet state income requirements that are immediately and easily verifiable. However, the Medicaid application process takes time to go through, leaving women without access to essential prenatal services. For this reason, Maryland has taken up the Medicaid option to allow qualified hospitals to grant temporary Medicaid coverage to pregnant women. Through this coverage option – known as Hospital Presumptive Eligibility (HPE) – women who are likely eligible for Medicaid (based on an income screen by trained hospital personnel) can receive immediate prenatal care while the state processes their full Medicaid application. In turn, federal rules allow hospitals and other providers to receive Medicaid

reimbursement for ambulatory prenatal care services provided during the temporary HPE period.<sup>2</sup> However, as some pregnant women may require *inpatient* care in this critical time, MDH has had waiver authority in place under the HealthChoice Demonstration since 2014 to cover inpatient services for pregnant women found temporarily eligible through HPE.

**Families USA supports Maryland in retaining Medicaid coverage for pregnant women with serious complications who may need inpatient hospital care to support a healthy birth.** MDH's inpatient benefit for pregnant women eligible via HPE recognizes that there are common circumstances under which inpatient admission may be necessary for the health of the baby and mother:

- For example, preeclampsia is a serious condition impacting 1 in every 25 pregnancies, characterized by dangerously high blood pressure that can cause serious health problems for mothers (including stroke, seizures and kidney, liver or brain damage) and lead to preterm birth and other complications for babies.<sup>3</sup> Pregnant women that present with severe preeclampsia often need to stay at the hospital to monitor their health and the health of their baby.
- A hospital stay for preeclampsia *significantly* increases health care costs, with studies estimating a \$42,000 increase in costs of care, on average.<sup>4</sup>
- Without Medicaid coverage, these extensive costs hurdle low-income pregnant women into medical debt. Because these women may not have the ability to pay, hospitals must absorb the cost of this care. For hospitals that see many Medicaid-eligible mothers, preeclampsia treatment is a major economic burden.

By seeking a waiver to cover inpatient pregnancy-related services for women temporarily eligible through HPE, Maryland supports Medicaid-eligible pregnant women who present to a hospital with preeclampsia and other serious complications, while reducing financial strain for the hospitals that take care of them. In addition, presumptive eligibility efforts at hospitals are an effective way to move eligible pregnant women (and, in time, their newborns) through the larger Medicaid enrollment process.<sup>5</sup>

This waiver authority is even more important to pregnant women and hospitals alike given recent limits to Medicaid retroactive coverage put in place under the 2025 budget reconciliation bill (H.R. 1). Retroactive coverage offers a critical safeguard for new Medicaid enrollees, as it allows them to receive reimbursement for past medical expenses incurred up to 90 days prior to their official Medicaid application date. Effective in 2027, H.R. 1 shortens retroactive coverage for all Medicaid enrollees: reduced to 30 days for people enrolled under the Affordable Care Act's Medicaid expansion and to 60 days for all other enrollees (depending on the state, pregnant women may fall in either category).

This policy change is particularly harmful for low-income persons who have an unexpected illness (for example, pregnant women with preeclampsia) and who may have difficulty completing the complicated and lengthy Medicaid application process before medical bills pile up. Without the safety-net of 90-day retroactive coverage, low-income pregnant women, although eligible for full Medicaid coverage, may be on the hook for extensive pregnancy-related health care costs if they do not complete their Medicaid application efficiently. HPE, then, is *critical* to these women to put them on a pathway to coverage while providing them with covered prenatal care in the meantime. HPE also guarantees safety-net providers are paid for delivering prenatal services even if their patients are delayed in completing Medicaid application paperwork (which may happen frequently in the case of mothers experiencing pregnancy-related health crises and/or caring for their newborn).

Even more critical to a pregnant woman's health and the finances of the hospital caring for her is coverage for the inpatient hospital services that may be necessary to address pregnancy complications and ensure healthy delivery. Without a waiver in place to cover these services under temporary HPE, this expensive – but lifesaving – care may fall victim to H.R. 1's retroactive coverage limitation, saddling new mothers with medical debt and worsening hospital uncompensated care costs. MDH's waiver nullifies these harmful impacts. **Families USA strongly urges CMS to extend authority for Maryland to continue to offer coverage for inpatient services for pregnant women temporary eligible through HPE.**

## II. Reentry Demonstration

MDH's Reentry Demonstration provides targeted Medicaid services to eligible incarcerated individuals up to 90 days prior to their release. The demonstration effort focuses on the estimated 1,450 adults released from state-managed facilities each year who have substance use disorder (SUD), a serious mental illness (SMI), or both and would be eligible to receive treatment for these conditions through Medicaid, if not for their carceral status.<sup>6</sup> **Families USA strongly supports the continuation of Maryland's Reentry Demonstration as it empowers transitioning populations to get the care they need to stay well and find and keep a job, and avoids higher cost hospital care for conditions that can be addressed in lower cost settings.**

Currently, when Medicaid recipients become incarcerated, their access to Medicaid coverage is suspended following what is known as the "inmate exclusion," a general policy that limits Medicaid coverage for incarcerated individuals to coverage for inpatient stays at a hospital or other medical institution.<sup>7</sup> While this exclusion does not prevent inmates from receiving basic medical services within a correctional setting, these facilities are often under-resourced and ill-equipped to address the chronic health needs among their population,<sup>8</sup> which may be substantial:

- Nationwide, 80% of incarcerated people have SMI, SUD and other chronic health issues.<sup>9</sup>
- In Maryland, one in four inmates have a SMI and more than two in three have SUD.<sup>10</sup>

While Maryland will reinstate Medicaid coverage upon release if a person remains eligible, the suspension itself serves to sever ties with health care providers in the community, meaning Medicaid-eligible people often leave carceral settings without established connections to the health care system. Following release, former inmates report difficulty obtaining care which can contribute to post-release morbidity and mortality, and higher costs for the healthcare system when people report to the emergency department for conditions that can and should be addressed in primary care settings.<sup>11</sup> Inmates with untreated or interrupted behavioral health and substance use conditions face sharply elevated risks of overdose, relapse, and acute psychiatric crises immediately after release.<sup>12</sup>

Maryland's program, if extended, would mitigate these poor outcomes by ensuring that Medicaid-eligible inmates have access to clinically appropriate services prior to release, including comprehensive case management, medication-assisted treatment with accompanying counseling, and provision of a 30-day supply of all prescribed medications upon release. By connecting justice-involved individuals with health care providers 90 days before their reentry, the demonstration enables eligible inmates to form important connections to providers outside of the carceral setting who not only can treat ongoing and unaddressed needs prior to release but can continue that treatment upon transition to the community. Finally, the program ensures this population will leave the correctional system enrolled in Medicaid coverage (assuming they remain eligible), avoiding any period of uninsurance.

**Families USA strongly supports Maryland's Reentry Demonstration extension because individuals enrolled in Medicaid prior to release have better health outcomes, are less likely to be reincarcerated and more likely to attain a higher paying job, and it could allow Maryland to reduce Medicaid administrative costs.** MDH's reentry effort has only been in place since January 2025, so the state is in the early stages of implementation. Similar efforts in other states highlight the complex work involved in putting pre-release clinical service delivery into practice.<sup>13</sup> MDH needs time to develop their program and expand it to more correctional facilities (for now, the state is only providing pre-release services at 2-4 facilities<sup>14</sup>) so the demonstration can reap the many benefits seen in other states:

- Research consistently shows that individuals who are enrolled in Medicaid prior to release have reduced risk of adverse health outcomes, including overdose and suicide.<sup>15</sup>
- Pre-release Medicaid enrollment and care coordination have been shown to reduce recidivism by as much as 16% within the first six months.<sup>16</sup>
- Pre-release Medicaid programs increase the likelihood that formerly incarcerated people are employed by 25% and increase quarterly income by almost \$200.<sup>17</sup>

Beyond improving individual outcomes, pre-release Medicaid programs benefit state and federal governments by reducing budget demands and increasing efficiency. Arizona's 2015 pre-release Medicaid program led to \$30 million in administrative savings, highlighting the potential economic impact for Maryland and for the federal government which pays at least 50% of these administrative costs.<sup>18</sup> **We strongly urge CMS to approve continuation of MDH's Reentry Demonstration to give the state more time to implement this proven strategy and achieve program savings.**

## **Conclusion**

MDH's demonstration waiver extension – including continuation of its Reentry Demonstration and inpatient benefit for pregnant women temporarily eligible for Medicaid through HPE – represents a thoughtful, evidence-based approach to addressing the health needs of vulnerable Medicaid-eligible Marylanders. **Families USA applauds MDH for its commitment to improving access to high-quality care for incarcerated people and pregnant women. We strongly urge CMS to approve the HealthChoice Demonstration extension in full.**

For questions or further information, please contact Mary-Beth Malcarney, Senior Advisor on Medicaid Policy, Families USA, at [mmalcarney@familiesusa.org](mailto:mmalcarney@familiesusa.org).

Thank you for your time and consideration.

Sincerely,



Sophia Tripoli  
Senior Director of Health Policy

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- <sup>1</sup> “Medicaid & CHIP in Maryland,” Centers for Medicare & Medicaid Services, August 2025, <https://www.medicaid.gov/state-overviews/stateprofile.html?state=maryland>
- <sup>2</sup> 42 CFR § 435.1103(a).
- <sup>3</sup> “Preeclampsia,” March of Dimes, October 2024, <https://www.marchofdimes.org/find-support/topics/pregnancy/preeclampsia>.
- <sup>4</sup> Hao J, Hassen D, Hao Q, Graham J, Paglia MJ, Brown J, Cooper M, Schlieder V, Snyder SR. Maternal and Infant Health Care Costs Related to Preeclampsia. *Obstet Gynecol.* 2019 Dec;134(6):1227-1233. doi: 10.1097/AOG.0000000000003581;
- <sup>5</sup> Tricia Brooks, “Hospital Presumptive Eligibility,” *Health Affairs*, January 9, 2014, <https://www.healthaffairs.org/content/briefs/hospital-presumptive-eligibility#:~:text=What's%20the%20issue?,new%20eligibility%20and%20enrollment%20systems..>
- <sup>6</sup> “Maryland HealthChoice Demonstration: Section 1115 Demonstration Extension Application,” Maryland Department of Health, September 26, 2025, at 16, <https://health.maryland.gov/mmcp/Documents/1115%20Waiver%20Medicaid/2027-2031%20Demonstration%20Docs/2.%201115%20Extension%20Application%20FINAL%209.25.25.pdf>.
- <sup>7</sup> Maryland regulations on non-financial eligibility requirements for Medicaid [https://www.law.cornell.edu/regulations/maryland/COMAR-10-09-24-05-5?utm\\_source=chatgpt.com](https://www.law.cornell.edu/regulations/maryland/COMAR-10-09-24-05-5?utm_source=chatgpt.com); “Suspension of Medicaid Coverage for Incarcerated Adults,” KFF, January 2025, <https://www.kff.org/medicaid/state-indicator/suspension-of-medicaid-coverage-for-incarcerated-adults/?currentTimeframe=0&selectedRows=%7B%22states%22:%7B%22maryland%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Location%22,%22sort%22:%22asc%22%7D>.
- <sup>8</sup> Fiscella, K., Beletsky, L., & Wakeman, S. E. (2017a, March). *The inmate exception and Reform of Correctional Health Care*. *American journal of public health*. <https://pmc.ncbi.nlm.nih.gov/articles/PMC5296706/#:~:text=This%20explicit%20exclusion%2C%20commonly%20referred,and%20external%20quality%20oversight%20mandates>.
- <sup>9</sup> Health Care Transitions for individuals returning to ... - ASPE. (2023). <https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bfd1/health-care-reentry-transitions.pdf><https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bfd1/health-care-reentry-transitions.pdf>; Binswanger IA, Stern MF, Deyo RA, Heagerty PJ, Cheadle A, Elmore JG, Koepsell TD. Release from prison—a high risk of death for former inmates. *N Engl J Med.* 2007 Jan 11;356(2):157-65. doi: 10.1056/NEJMs064115. Erratum in: *N Engl J Med.* 2007 Feb 1;356(5):536. PMID: 17215533; PMID: PMC2836121.
- <sup>10</sup> “Maryland’s Behavioral Health and Public Safety Center of Excellence: Strategic Plan,” Maryland Crime Research and Innovation Center, July 2023, <https://gocpp.maryland.gov/wp-content/uploads/Maryland%E2%80%99s-Behavioral-Health-and-Public-Safety-Center-of-Excellence-Strategic-Plan-7-24-23.pdf?ref=mobtownredux.news>.
- <sup>11</sup> Mallik-Kane, K. (2008, February). *Health and prisoner reentry: How physical, mental and ...* Urban Institute. <https://www.urban.org/sites/default/files/publication/31491/411617-Health-and-Prisoner-Reentry.PDF>; McConville, S., Mooney, A. C., Williams, B. A., & Hsia, R. Y. (2018). How do ED patients with criminal justice contact compare with other ED users? A retrospective analysis of ED visits in California. *BMJ open*, 8(6), e020897. <https://doi.org/10.1136/bmjopen-2017-020897>; Nally JM, Lockwood S, Ho T, Knutson K. Post-release recidivism and employment among different types of released offenders: A 5-year follow-up study in the United States. *International Journal of Criminal Justice Sciences*; 2014; 9(1): 16-34; “Health Care Transitions for Individuals Returning to the Community from a Public Institution: Promising Practices Identified by the Medicaid Reentry Stakeholder Group,” U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation, January 2023, <https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bfd1/health-care-reentry-transitions.pdf>.
- <sup>12</sup> BMC Emergency Medicine. (2013). Incarceration and health: A literature review. *BMC Emergency Medicine*, 13(16). Available at: <https://bmccemergmed.biomedcentral.com/articles/10.1186/1471-227X-13-16>. 22; Kaiser Family Foundation. (2019). How connecting justice-involved individuals to Medicaid can help address the opioid

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<sup>13</sup> Kinda Serafi, Gini Morgan and Bryant M. Torres, “Advancing Medicaid Reentry Initiatives: Early Implementation Successes,” Mannatt Health, December 4, 2025, <https://www.manatt.com/insights/newsletters/health-highlights/advancing-medicaid-reentry-initiatives-early-implementation-successes>.

<sup>14</sup> “Maryland HealthChoice Demonstration,” at 370.

<sup>15</sup> Mallik-Kane, K. (2008, February). *Health and prisoner reentry: How physical, mental and ...* Urban Institute. <https://www.urban.org/sites/default/files/publication/31491/411617-Health-and-Prisoner-Reentry.PDF>; McConville, S., Mooney, A. C., Williams, B. A., & Hsia, R. Y. (2018). How do ED patients with criminal justice contact compare with other ED users? A retrospective analysis of ED visits in California. *BMJ open*, 8(6), e020897. <https://doi.org/10.1136/bmjopen-2017-020897>; Nally JM, Lockwood S, Ho T, Knutson K. Post-release recidivism and employment among different types of released offenders: A 5-year follow-up study in the United States. *International Journal of Criminal Justice Sciences*; 2014; 9(1): 16-34; “Health Care Transitions for Individuals Returning to the Community from a Public Institution: Promising Practices Identified by the Medicaid Reentry Stakeholder Group,” U.S. Department of Health and Human Services Office of the Assistant Secretary for Planning and Evaluation, January 2023, <https://aspe.hhs.gov/sites/default/files/documents/d48e8a9fdd499029542f0a30aa78bfd1/health-care-reentry-transitions.pdf>; Kinda Serafi, Gini Morgan and Bryant M. Torres, “Advancing Medicaid Reentry Initiatives: Early Implementation Successes,” Mannatt Health, December 4, 2025, <https://www.manatt.com/insights/newsletters/health-highlights/advancing-medicaid-reentry-initiatives-early-implementation-successes>.

<sup>16</sup> Aslim, E. G., Mungan, M. C., Navarro, C. I., & Yu, H. (2021). The effect of Public Health Insurance on criminal recidivism. *Journal of Policy Analysis and Management*, 41(1), 45–91. <https://doi.org/10.1002/pam.22345>; Burns, M., & Dague, L. (2023, June). *In-kind welfare benefits and reincarceration risk*. National Bureau of Economic Review. [https://www.nber.org/system/files/working\\_papers/w31394/w31394.pdf](https://www.nber.org/system/files/working_papers/w31394/w31394.pdf).

<sup>17</sup> Aslim, E. G., Mungan, M. C., Navarro, C. I., & Yu, H. (2021). The effect of Public Health Insurance on criminal recidivism. *Journal of Policy Analysis and Management*, 41(1), 45–91. <https://doi.org/10.1002/pam.22345>; Burns, M., & Dague, L. (2023, June). *In-kind welfare benefits and reincarceration risk*. National Bureau of Economic Review. [https://www.nber.org/system/files/working\\_papers/w31394/w31394.pdf](https://www.nber.org/system/files/working_papers/w31394/w31394.pdf).

<sup>18</sup> NCSL. (2023, January 16). *Connecting recently released prisoners to health care—how to leverage Medicaid*. NCSL Foundation. <https://www.ncsl.org/civil-and-criminal-justice/connecting-recently-released-prisoners-to-health-carehow-to-leverage-medicaid>