

# MAKOM

### Frequently Asked Questions (FAQ)

(Updated 2/21/2025; 2/21 update is green; 2/18 update is blue.)

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

**A:** The state of Maryland has 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:

- 1. 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. We believe this policy change creates great danger to people who legitimately rely on dedicated supports to be successful, safe and healthy in their communities. We estimate this to be 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. For Makom, the elimination of the geographic differential is an estimated \$3.7M in cuts to our funding.

\*\*\*These two reductions alone combine to funding cuts of as much as a breathtaking \$7.6 million, nearly 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 *current* 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: So, what about fiscal year 2026?

A: All of the cuts proposed in Governor Moore's 2026 budget remain.

### Q: Why is Makom so concerned about these changes?

A: Simply put, these cuts will decimate life-supporting services and supports in Maryland for people with IDD and put thousands of Marylanders with IDD in immediate jeopardy. Funding reductions across eight different policy changes and rate reductions total \$457,800,000 (about \$235.5M in State general fund, and another \$222.3M in federal Medicaid matching funds)—nearly half a billion dollars—in one budget cycle. Moreover, the State's budget shortfall is \$2.7 billion, so the approximately 21,000 Marylanders with IDD who are receiving supports through the State's system are being asked to shoulder 17% of the State's budget deficit—which they've had no part of creating—while representing 0.03% of the population. It is literally balancing the State's \$3 trillion budget on the backs of people with IDD and their families.

#### 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 will result in a forfeiture of \$222.8M in federal match.

- Q: So, Maryland actually loses \$222.8M in federal matching funds as a part of the cuts?
- A: Yes.
- 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 are analyzing this dynamic and watching it very carefully. In short, the answer is (a) yes, these two things will intersect, with the very real potential of increasing—potentially significantly—the cuts to Medicaid services beyond just what that Governor's budget holds, and (b) Maryland's forfeiture of \$222.8M in federal matching Medicaid funding would be 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.

2023 BLS Data	https://www.bls.gov/oes/current/oessrcma.htm#M						
Metropolitan and Nonmetropolitan	Area Occupational Emp	loymen	t and \	Wage Estimates			
Maryland							
21-0000 Community and Social Serv	rice Occupations						
	Occupation Title						% diff to
Area	Rehab Counselo	r	Socia	l/Human Svc. Assistant	1	Mean	DC-VA-MD-WV
DC-VA-MD-WV	\$	23.68	\$	22.77	\$	23.23	
Balt., Columbia, Towson	\$	24.70	\$	20.76	\$	22.73	-2.13%
California, Lexington Park	\$	19.83	\$	19.36	\$	19.60	-15.63%
Cumberland	\$	-	\$	18.09		null	
Hagerston, Martinsburg	\$	19.34	\$	18.84	\$	19.09	-17.80%
Philadelphia, Camden, Wilmington	\$	23.25	\$	21.94	\$	22.60	-2.71%
Salisbury	\$	20.49	\$	19.09	\$	19.79	-14.79%
Maryland Non-metropolitan	\$	17.50	\$	19.52	\$	18.51	-20.30%
Mean, non DC-VA-MD-WV	\$	20.85	\$	19.66	\$	20.26	-12.79%

### Q: So, if the rate differential is cut, 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).

If the rate differential is eliminated, there is an immediate 14.7% reduction in Makom's funding from the State of Maryland. It will have a chilling impact on the fidelity of services because it has a direct impact on our most valuable asset, our workforce.

### Q: How will this impact the people we support?

**A**: Marylanders with IDD rely on this funding to live, work, and access life in the community. Makom supports people by providing personal assistance in the activities of daily living, job training and coaching, health care maintenance and therapeutics, safety, and so much more. In addition to the elimination of the geographic differential rate, at

Makom, we support 36 people with dedicated supports. Without them, these 36 people, with a whole range of behavioral, mental and physical health needs that are extraordinary, are immediately in danger of their dedicated supports being stripped. The geographic differential allows Makom to aggressively address and resource a 21st Century workforce while dedicated supports allows Makom to support people who simply need more intensive supports for health and safety. This support largely comes from our amazing direct service professionals (DSP). Our average DSP wage is nearly \$23/hour. We invest in our workforce—without which organizations like Makom, quite simply, don't exist because it's our workforce who are directly supporting people with IDD served by Makom as they pursue a quality of life to which they aspire. Data from calendar year 2023 shows the national DSP turnover rate at 40% and Maryland turnover among DSPs at 31%. At Makom, turnover for calendar 2023 was 23%. In 2024, it was 16%. Makom's workforce stability—essential to the quality and fidelity of individualized supports—is a key part of how we're able to support self-determined lives for folks we support. Given that 81% of our expenses are personnel, it's hard to imagine \$5M in cuts to our budget not impacting on the stability of our workforce, which will directly impact the people with IDD we so proudly support.

### Q: We're hearing counter proposals on the geographic differential. What's the latest?

A: Different scenarios are being modeled—for example, moving the geographic differential to a flat 10%. We continue to advocate for the geographic differential, but believe it reasonable to establish a transparent, defensible differential. Nothing at this point has been settled, and our conversations with our partners at the State continue.

#### Q: I work at Makom. How will this impact my position?

**A:** At this stage, we don't know. We are worried, yes, but our steadfast commitment and priority is to protect people with IDD and our workforce who support them. We are already running a comprehensive impact analysis and exploring a range of different scenarios. In any event, the Board of Directors and Leadership of the organization will do everything in our arsenal to fight for our employees.

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

A: We have activated every resource to push back on proposed cuts. Our e-Blast and Action Center resources have been picked up and well used by our constituents and by advocates across the State. Over 1800 e-mails have been generated to members of the Maryland General Assembly already. We have also engaged critical partners in this work—in the local community and statewide. We have sent a delegation to spend a full day in Annapolis, meeting with key legislators and lobbying against the cuts.

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

A: Members of the Maryland General Assembly are very aware of this issue, and they are working hard on our behalf. There are budget realities—there is no doubt that our elected leaders care deeply for Marylanders with IDD, but they are also facing economic and state budget realities that must be overcome. To a person, they are very connected to the issue, very supportive of people with IDD and Makom, and very committed to finding a way to preserve as much of the system as conceivably possible.

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

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

- o <u>Action Center</u>: 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.
- 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?

**A:** WE NEED YOU TO RAISE YOUR VOICES AND SAY THIS IS NOT ACCEPTABLE! All of you. We need to urgently and relentlessly contact our elected State legislators, who have the power to push back on these Draconian cuts. We ask that you:

- Click <u>HERE</u> to find your elected State Delegates and Senators by entering your zip code. The contact information for these Delegates and Senators will be listed. Make phone calls and send emails to voice our community's concern; AND
- o Click **HERE** for a draft letter you can personalize and use.
- Click <u>HERE</u> to be linked to an e-mail draft that you can personalize that will be sent to your elected officials AND
- Click <u>HERE</u> for a short script you can use while calling your local elected officials' offices.
- We ask that you both email AND call your local elected officials and do this repeatedly (every 2-3 days) so that our voices will be heard.

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

A: We are all part of the IDD community or know and love someone who is a part of it, and our voices are stronger together. It is hard to fathom the dangerous impact of \$470 million in funding cuts to a system that supports around 21,000 Marylanders with IDD and their families, but this much is certain: People with IDD will suffer severe consequences to decisions they've not made nor been engaged in any way. 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. It takes a community to voice our concerns and the more voices the better. We must take action to induce change.

### 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: DDA MD

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.