



STATE OF MARYLAND

OFFICE OF THE GOVERNOR
Wes Moore

May 22, 2026

The Honorable Joseline Peña-Melnyk
Speaker of the House of Delegates
H-101 State House
Annapolis, MD 21401

Dear Speaker Peña-Melnyk,

In accordance with Article II, Section 17 of the Maryland Constitution, I hereby veto House Bill 1151 - *Maryland Department of Health - Study on Maryland Medical Assistance Program Reimbursement of Hospice Room and Board Services*.

House Bill 1151 requires the Maryland Health Care Commission and the Maryland Medicaid Program to jointly study the impact of requiring Medicaid to provide reimbursement for room and board services provided by a hospice house. By December 1, 2026, the Maryland Department of Health must report its findings to specified committees of the General Assembly.

While I understand the bill sponsor's goal of identifying opportunities to improve hospice patient outcomes, the letter of concern submitted by the Maryland Department of Health (MDH) and the fiscal and policy note for the bill identify that federal law prohibits Medicaid reimbursement for room and board outside of a facility setting. Therefore, coverage of room and board services delivered by hospice houses would require 100% state general funds since they are not eligible for federal matching dollars. MDH estimates this cost would exceed \$8 million annually, with the likelihood that utilization would grow with Medicaid coverage.

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Health costs account for more than one-third of the state's annual operating budget, and state investment in the Medicaid program alone has grown by more than half a billion dollars under this administration. The state has continued to face deficiency appropriation needs for health programs, and my administration has worked in partnership with the budget committees to manage utilization and cost increases for Medicaid, the Developmental Disabilities Administration, and the Behavioral Health Administration. At the same time, as the department indicated during the Medicaid 101 briefing this session, we anticipate the state could face a loss of up to \$2.7 billion in federal funding to Medicaid as a result of H.R. 1.

I am proud of the work we did this session to place Maryland's state government on a stronger fiscal footing. In partnership, we turned a deficit into a surplus and delivered on key commitments while maintaining fiscal discipline. In this fiscal climate, we must reconsider bills that commit the state to future obligations and remain disciplined and strategic in funding decisions to protect essential services for all Marylanders. Rather than conducting the study of expanded Medicaid coverage this bill would have required, MDH will instead work with the bill sponsor during the interim to identify alternative ways of improving hospice patient outcomes.

For the reasons provided in this letter, I have vetoed House Bill 1151.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Wes Moore'.

Wes Moore
Governor

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