

Serve on:
Anthony G. Brown, Attorney General *
200 St. Paul Place
Baltimore, Maryland 21202 *
civil_service@oag.state.md.us *

MEENA SESHAMANI, Secretary, Maryland *
Department of Health, in her official capacity, *
201 W. Preston Street *
Baltimore, MD 21201 *

Serve on: *
Anthony G. Brown, Attorney General *
200 St. Paul Place *
Baltimore, Maryland 21202 *
civil_service@oag.state.md.us *

and *

STATE OF MARYLAND, *
201 W. Preston Street *
Baltimore, MD 21201 *

Serve on: *
Anthony G. Brown, Attorney General *
200 St. Paul Place *
Baltimore, Maryland 21202 *
civil_service@oag.state.md.us, *

Defendants. *

* * * * *

CLASS ACTION COMPLAINT AND DEMAND FOR JURY TRIAL

Plaintiffs Ursula Battle, Constance Farrell, Frank Lee, and Yolanda Puzzo (“Named Plaintiffs”), individually and on behalf of all others similarly situated (the “Class” or “Class Members”), and Plaintiff The Arc Montgomery County, Inc. (“The Arc Montgomery County” or “The Arc”), bring this action against the Maryland Department of Health (“MDH”), Meena Seshamani (“Secretary Seshamani”) in her official capacity as Secretary of the Maryland

Department of Health, and the State of Maryland (the “State”) (collectively, “Defendants”). In support, Plaintiffs allege as follows:

Introduction

1. Since the end of the COVID-19 public health emergency in May 2023, the Maryland Department of Health has arbitrarily disenrolled hundreds of people with intellectual and developmental disabilities (“IDD”) from Medicaid programs that support them. These programs, often referred to as “waiver programs,” are administered by the Developmental Disabilities Administration (“DDA”), a division of MDH, and pay for residential services, personal supports to assist with activities of daily living, and on-the-job supports to remove barriers to employment. DDA waiver programs are designed to “empower [people with intellectual and developmental disabilities] so they can live the lives they want to live in the communities they choose.”¹ The Named Plaintiffs and at least two dozen other people who are supported by The Arc Montgomery County are among the large population of Marylanders with IDD who have been unlawfully disenrolled after MDH improperly deemed them financially ineligible for Medicaid.

2. The mass disenrollment of people with IDD from DDA waiver programs is the result of MDH’s failure to implement a functional process for confirming participants’ continued financial eligibility for Medicaid—a process known as “redetermination.” Redeterminations were suspended during the public health emergency, but resumed in May 2023.

3. Redetermination should be a straightforward process, but, for Marylanders with IDD, it is not. Since May 2023, MDH has disenrolled people with IDD from DDA waiver

¹ *About DDA*, Maryland Department of Health, <https://health.maryland.gov/dda/Pages/dda.aspx> (last visited September 23, 2025).

programs in violation of the due process rights they are afforded under federal and state law. Many longtime participants in the waiver programs have been disenrolled without notice, a meaningful opportunity to be heard, or a reasoned decision from MDH regarding their eligibility.

4. To give just a few examples of the dysfunction plaguing MDH's redetermination process, MDH sent hundreds of notices to people with IDD supported by The Arc Montgomery County to a mailing address that The Arc had not used in more than five years. As a result, participants in the waiver programs were left completely uninformed about important redetermination deadlines and decisions regarding their eligibility for Medicaid. In addition, hundreds of notices issued by MDH informing people with IDD that they were being disenrolled from Medicaid cite a purported provision of Maryland regulations ("COMAR 10.09.24.05-8") that does not exist and has never existed.

5. Despite urgent pleas from people with IDD, their families and representatives, as well as from providers like The Arc Montgomery County, MDH has declined to provide any explanation for these failures or even to acknowledge that they are occurring on a system-wide basis.

6. For people with intellectual and developmental disabilities, the harms from these arbitrary disenrollments are profound, and, if they are not quickly corrected, they will put thousands of Marylanders with IDD at risk of institutionalization or homelessness. Because redetermination must occur on an annual basis for all Medicaid participants, MDH's dysfunctional process impacts all of the more than 18,000 people statewide who participate in waiver programs for people with IDD.

7. MDH has also broken its promises to provider organizations like The Arc Montgomery County, which have borne significant costs in the face of MDH's dysfunction. Like

other providers, The Arc Montgomery County has entered into agreements with MDH that require MDH to reimburse it for supports provided to people with IDD, and that limit The Arc's ability to discharge people with IDD from its program. Since January 2024, The Arc Montgomery County has provided more than \$9 million in supports to people with IDD, including housing and intensive assistance with activities of daily living, without reimbursement from MDH.

8. Although deeply committed to its mission and to the people it supports, The Arc Montgomery County does not have the means to provide supports indefinitely without reimbursement. More broadly, MDH's conduct imperils the entire system through which the State of Maryland, for more than fifty years, has supported people with IDD in the community.

9. Together, the Named Plaintiffs and The Arc Montgomery County bring this action to remedy MDH's broken redetermination process. Named Plaintiffs seek an Order compelling Defendants to correct the errors it has made in redeterminations since May 2023 and, going forward, to implement a process that comports with fundamental guarantees of due process and the specific procedural requirements set forth in the statutory provisions and regulations discussed below. The Arc Montgomery County has supported dozens of people with IDD who have been wrongfully disenrolled from DDA waiver programs since January 2024, and, through this action, it seeks reimbursement for those services.

Jurisdiction and Venue

10. This Court has jurisdiction over this matter pursuant to Md. Code Ann., Cts. & Jud. Proc. §§ 1-501 and 3-8B-01, and Md. Code Ann., State Gov't § 12-201(a).

11. This Court has personal jurisdiction over Defendants pursuant to Md. Code Ann., Cts. & Jud. Proc. § 6-102.

12. Venue is proper under Md. Code Ann., Cts. & Jud. Proc. § 6-201(a) because Defendants carry on regular business in all counties of the State.

Parties

13. Plaintiff The Arc Montgomery County, Inc. is a 501(c)(3) charitable organization that provides daily direct support services to people with intellectual and developmental disabilities. The Arc's mission is to connect people of all ages and abilities with their communities to build inclusive and fulfilling lives. The Arc offers services including residential services, childcare, community living support, work skills training and employment-related support, support for retirees and seniors, and respite coordination for caregivers.

14. Named Plaintiff Ursula Battle is a participant in the Community Pathways Waiver and was improperly disenrolled from the program on or around April 4, 2025. Ms. Battle has been supported by The Arc Montgomery County since 1990.

15. Named Plaintiff Constance Farrell is a participant in the Community Pathways Waiver and was improperly disenrolled from the program on or around January 31, 2024. Ms. Farrell has been supported by The Arc Montgomery County since 1994.

16. Named Plaintiff Frank Lee is a participant in the Community Pathways Waiver and was improperly disenrolled from the program on or around January 1, 2024. Mr. Lee has been supported by The Arc Montgomery County since 2009.

17. Named Plaintiff Yolanda Puzzo is a participant in the Community Pathways Waiver and was improperly disenrolled from the program on or around December 31, 2023. Ms. Puzzo has been supported by The Arc Montgomery County since 1998.

18. Defendant Maryland Department of Health is a principal department of the Maryland state government. MDH is charged with promoting and improving the health and safety of Marylanders through disease prevention, access to care, quality management, and

community engagement. MDH administers Medicaid in Maryland, sometimes referred to as the Maryland Medical Assistance Program. MDH's units include Medicaid, as well as the Developmental Disabilities Administration, which oversees MDH's programs for people with IDD. MDH's headquarters are located at 201 W. Preston Street, Baltimore, Maryland 21201.

19. Defendant Meena Seshamani, who is sued in her official capacity, is the Secretary of the Maryland Department of Health. As Secretary, she is the head of MDH and responsible for all of its operations and those of MDH's constituent agencies and divisions, including Medicaid and DDA.

20. Defendant State of Maryland is a sovereign state of the United States of America.

Individuals With Intellectual and Developmental Disabilities in Maryland

21. Maryland is home to thousands of people with IDD, including the more than 18,000 people enrolled in DDA waiver programs. Intellectual and developmental disabilities include diagnoses such as Down syndrome, autism spectrum disorders, cerebral palsy, and other conditions that manifest before age 22 and result in substantial functional limitations in major life activities.

22. People with IDD are among Maryland's most vulnerable citizens. The IDD community has historically experienced widespread discrimination, institutionalization, and exclusion from community life. People with IDD often face significant challenges in achieving independence, including barriers to accessing housing, healthcare, employment, transportation, and general social integration. Making community-based services available to people with IDD is essential to ensuring their full participation in society.

23. The movement toward community-based care for individuals with IDD gained momentum following the passage of the federal Americans with Disabilities Act of 1990

(“ADA”) and the Supreme Court’s decision in *Olmstead v. L.C.*, 527 U.S. 581 (1999), which established that unnecessary institutionalization constitutes discrimination under the ADA.

Maryland’s Medicaid Waiver Programs for People with IDD

Waiver Program Overview

24. Medicaid is a medical assistance program for people with limited economic resources, people with disabilities, and the elderly, among other populations. Medicaid is created by federal statute, subject to federal oversight, and jointly administered and funded by the federal government and states that elect to participate in the program. *See generally* 42 U.S.C. § 1396. States participating in the Medicaid program must follow federal legal requirements set forth in the Medicaid Act and rules promulgated by the federal Centers for Medicaid and Medicare Services.

25. Maryland has elected to participate in Medicaid. The Maryland Medicaid program is referred to as the Medical Assistance Program. *See* Md. Code Ann., Health-Gen. § 15-103. Maryland has designated MDH to be the “single State agency” to administer Medicaid in Maryland. *See* 42 U.S.C. § 1396a(a)(5).

26. Congress has expressly authorized the federal Secretary of Health and Human Services to waive certain requirements of the Medicaid Act for states that wish to pay for certain home- and community-based services through their Medicaid programs, including supports for people with IDD. *See* 42 U.S.C. § 1396n(c) (Section 1915(c) of the Social Security Act). Such waivers are sometimes referred to as “HCBS waivers” or “1915(c) waivers.”

27. MDH administers three federally-approved HCBS waivers focused on providing home- and community-based supports to people with IDD. These waivers are called Community

Pathways, Community Supports, and Family Supports.² Within MDH, DDA is principally responsible for administering these waivers. This action is focused on redetermination for participants in the three DDA waiver programs.

28. MDH's Medicaid program remains responsible for determining whether DDA waiver applicants and participants meet financial eligibility requirements. The Eligibility Determination Division is the office within the Medicaid program that makes these determinations.

29. Each DDA waiver program includes different services tailored to populations with varying needs. The Community Pathways waiver is the most comprehensive waiver, paying for residential services, such as group homes; support services, including behavioral support, environmental assessments, caregiver training, and education; and day services, including employment support. The Community Supports waiver offers similar services to Community Pathways but does not include residential services. The Family Supports waiver provides services to children from birth to age 21.³

30. Participants in DDA waiver programs typically receive services from MDH-licensed provider organizations, such as The Arc Montgomery County. The Medicaid program reimburses providers for services contained in the recipient's individual plan of care, much in the same way insurance reimburses doctors. *See* COMAR 10.09.26.09.

² DDA administers three separate HCBS waivers as of this filing. Plaintiffs anticipate that in early October 2025, MDH will be consolidating all three waivers into a single waiver called the Community Pathways Waiver. *See, e.g., October 2025 Waiver Changes and You*, Maryland Department of Health, <https://health.maryland.gov/dda/Pages/October-2025-Waiver-Changes-and-You.aspx> (last visited Sept. 17, 2025).

³ *State Waivers List: Maryland*, Centers for Medicare & Medicaid Services, <https://www.medicaid.gov/medicaid/section-1115-demo/demonstration-and-waiver-list/Waiver-Descript-Factsheet/MD> (last visited July 6, 2025).

31. MDH-licensed providers like The Arc Montgomery County are an essential operational component of Maryland’s Medicaid service system. Providers are responsible for the day-to-day delivery of DDA waiver services that allow people with IDD to live in their communities rather than institutions. Providers assist with activities of daily living, provide housing, transportation, and employment opportunities, and also ensure the health and safety of waiver participants around the clock. The promise of community-based care depends on having a network of qualified providers.

32. To be eligible to participate in the DDA waiver programs, applicants must meet technical, medical, and financial criteria.

33. Technical requirements for DDA waiver programs include Maryland residency, a determination that the person has an intellectual or developmental disability, and an approved person-centered plan, which outlines goals for the person’s life and documents the supports and services they need. *See* COMAR 10.09.24.05; COMAR 10.09.24.05.05-1–.0.5-5.

34. Medical requirements include needing an institutional level of care for disabilities. *See* COMAR 10.09.26.11.

35. Financial eligibility is assessed by the Medicaid program’s Eligibility Determination Division. Individuals who receive Supplemental Security Income (“SSI”) are automatically eligible. Individuals may also be eligible, subject to certain conditions, if their monthly income does not exceed 300% of the maximum SSI benefit (\$2,901 in 2025) and their assets are less than the SSI resource standard (\$2,000 for one person), or if they are deemed “medically needy” under Maryland statutes. *See* COMAR 10.09.24.09; COMAR 10.09.26.12.

36. Eligibility for a DDA waiver program does not guarantee that a person will be enrolled in the program. Demand for community-based services for people with IDD exceeds the

available funding and provider capacity. As of 2023, over 18,000 Marylanders were enrolled in a DDA waiver program, and approximately 4,000 people were on DDA's waitlist for enrollment.⁴

Financial Eligibility Redeterminations and the Public Health Emergency

37. MDH is required by federal law to redetermine the eligibility of all Medicaid recipients, including participants in DDA waiver programs, at least annually. *See* 42 C.F.R. § 435.916. This process is known as “redetermination.”

38. During the COVID-19 Public Health Emergency, which lasted from March 2020 until May 2023, federal law prohibited states from terminating Medicaid coverage for most enrollees, including those participating in DDA waiver programs. This continuous coverage provision was designed to ensure healthcare stability during the pandemic and meant that Maryland and other states suspended their redetermination processes for over three years.

39. When the Public Health Emergency ended on May 11, 2023, states were required to resume normal Medicaid eligibility operations, including conducting annual eligibility redeterminations. MDH faced the task of conducting redeterminations for all Medicaid recipients, including for people enrolled in DDA waiver programs.

40. For DDA waiver program participants, the financial eligibility redetermination process involves reviewing the individual's current income, assets, and other financial circumstances to ensure they remain within the eligibility thresholds.

⁴ Laura Herrera Scott, Acting Secretary, *Report Required by SB 636 - Maryland Department of Health - Waiver Programs - Waitlist and Registry Reduction (End the Wait Act)*, Maryland Department of Health (Feb. 1, 2023), <https://health.maryland.gov/mmcp/Documents/JCRs/2022/SB%20636%20%28Ch.%20464%20of%20the%20Acts%20of%202022%29%20-%20Waiver%20Programs%20-%20Waitlist%20and%20Registry%20Reduction%20%28End%20the%20Wait%20Act%29.pdf>.

Constitutional and Statutory Guarantees of Due Process

41. Due process of law is a fundamental constitutional principle, applicable to the states through the Fourteenth Amendment to the U.S. Constitution. Due process ensures procedural fairness before the government can deprive individuals of life, liberty, or property, including participation in government benefit programs like Medicaid and DDA waiver programs. *See Goldberg v. Kelly*, 397 U.S. 254, 261–62 (1970); *Mathews v. Eldridge*, 424 U.S. 319 (1976).

42. Article 24 of the Maryland Declaration of Rights incorporates similar guarantees of procedural fairness before governmental deprivation of life, liberty, or property. *See, e.g., Pickett v. Sears, Roebuck & Co.*, 365 Md. 67 (2001) (United States Supreme Court interpretations of the Due Process Clause of the Fourteenth Amendment serve as persuasive authority for interpretation and application of Article 24).

43. The essential requisites of due process are notice and an opportunity to be heard at a meaningful time and in a meaningful manner, as well as the timely issuance of a reasoned decision by an impartial decisionmaker. *See, e.g., Mullane v. Central Hanover Bank & Trust Co.*, 339 U.S. 306, 313 (1950); Henry J. Friendly, *Some Kind of Hearing*, 123 U. Pa. L. Rev. 1267 (1975).

44. The Medicaid Act includes guarantees of due process before Medicaid benefits are denied, reduced, or terminated. Among other things, the Medicaid Act requires states to “provide that all individuals wishing to make application for medical assistance . . . shall have opportunity to do so, and that such assistance shall be furnished with reasonable promptness to all eligible individuals.” 42 U.S.C. § 1396a(a)(8). The Medicaid Act further requires states to provide beneficiaries with “an opportunity for a fair hearing” when a claim for medical

assistance under the plan “is denied or is not acted upon with reasonable promptness.” *Id.* § 1396a(a)(3).

45. Federal and state regulations implementing the Medicaid Act contain extensive procedural mandates that incorporate the fundamental elements of due process. *See* 42 C.F.R. §§ 431.200–.246; COMAR 10.01.04.01–.12. For example, federal and state “Medicaid fair hearing” regulations prescribe notice requirements, including that notices of denial of eligibility must include a “clear statement of the specific reasons” supporting denial and citation of the “specific regulations” that support the action. *See* 42 C.F.R. §§ 431.210(a), 431.210(c); COMAR 10.01.04.03–.04. The “fair hearing” regulations also require hearings to be conducted at a reasonable date, following adequate notice, and by one or more impartial officials. *See* 42 C.F.R. § 431.240(a).

MDH’s Broken Redetermination Process for Participants in Waiver Programs

46. Since May 2023, Maryland’s Medicaid redetermination process has been completely dysfunctional and carried out without regard for the guarantees of due process.

47. Defendants fail to provide notice to DDA waiver participants that their Medicaid eligibility is subject to redetermination.

- a. Defendants often fail to send any notice whatsoever to DDA waiver program participants and their authorized representatives informing them that they must submit redetermination applications, leaving the individuals unaware that any action is required to continue receiving their vital services. *See* 42 C.F.R. § 431.206(b); COMAR 10.01.04.03(A).
- b. When notices are sent, they are frequently sent late and fail to provide participants with the 45 days’ advance notice of the redetermination process that state regulations require. *See* COMAR 10.09.24.12(C)(3)(b).

- c. When notices are sent, they are frequently mailed to incorrect or outdated addresses even though MDH has current contact information in its files. *See* 42 C.F.R. § 435.919(f).
- d. When participants submit required documentation, MDH routinely fails to acknowledge receipt of these materials or provide any indication that the information has been reviewed.

48. Even when participants learn that their eligibility is subject to redetermination, Defendants routinely ignore the information that participants submit, depriving them of a meaningful opportunity to be heard.

- a. Participants and their authorized representatives submit bank statements, income verification, asset documentation, and other required financial records to demonstrate continued eligibility for Medicaid and DDA waiver programs, only to have their documents vanish into MDH's administrative void.
- b. Because Defendants do not respond to phone calls or e-mails, participants are left in limbo—uncertain whether their submissions were received, reviewed, or considered in eligibility determinations.
- c. Defendants make redetermination decisions without regard to financial eligibility information submitted by participants. In many cases, MDH disenrolls DDA waiver participants through notices stating that participants have not submitted required information, when participants have in fact submitted the information, sometimes repeatedly.
- d. Defendants deny participants the opportunity to spend down their income and assets to maintain eligibility, disenrolling participants even when their

submissions show a few extra dollars in their bank account. Doing so violates COMAR 10.09.24.09, which is intended to prevent such punitive outcomes.

49. When disenrolling participants from DDA waiver programs, Defendants again fail to provide adequate or meaningful notice.

- a. As in the case of notices regarding redetermination requirements, Defendants frequently mail disenrollment notices to incorrect or outdated addresses. *See* 42 C.F.R. § 435.919(f).
- b. Defendants routinely issue termination notices with boilerplate language such as “your medical assistance coverage expired” or “you do not meet program requirements.” These explanations provide no information about what eligibility criteria the participant allegedly failed to meet, what documentation might remedy any deficiency, or what steps the participant can take to maintain services. 42 C.F.R. § 431.210(b) (requiring “[a] clear statement of the specific reasons supporting the intended action”); *see* COMAR 10.01.04.03(B)(2), (3).
- c. MDH regularly relies on, as legal authority for termination of benefits, regulations that either do not exist or have no relevance to eligibility determinations. Dozens of notices sent to DDA waiver program participants supported by The Arc Montgomery County cite a purported provision of the Code of Maryland Regulations that does not and has never existed: “COMAR 10.09.24.05-8.” Other notices cite COMAR 10.09.55.03B as a reason for termination, which is a regulation establishing conditions under which physician assistants can participate as providers in the Medicaid program, and is entirely

unrelated to Medicaid or DDA waiver eligibility. *See* 42 C.F.R. § 431.210(c); COMAR 10.01.04.03(B)(4).

50. When participants request a “fair hearing” appealing their disenrollment, Defendants fail to act on those requests with the “reasonable promptness” required by federal and state law. *See* 42 U.S.C. § 1396a(a)(3). On information and belief, Defendants fail to “immediately forward” the requests to the Office of Administrative Hearings, hearings are not timely scheduled, and participants do not receive decisions on their appeals within 90 days. *See* COMAR 10.01.04.04. In fact, requests for fair hearings are often not acted on for months.

51. Although Defendants are required to continue DDA waiver benefits and services during the pendency of a participant’s request for a fair hearing, Defendants consistently terminate benefits upon MDH’s issuance of a disenrollment notice, leaving participants without benefits while they are seeking to correct MDH’s arbitrary and erroneous actions. *See* 42 C.F.R. §§ 431.230–.231; COMAR 10.01.04.10.

52. On the whole, Maryland’s redetermination process is so opaque, dysfunctional and arbitrary that disenrolled DDA waiver participants, and even long-established provider organizations like The Arc Montgomery County are unable to navigate it.

MDH’s Mass Disenrollment of Participants from Waiver Programs Without Due Process and on Arbitrary and Erroneous Grounds

53. The systemic breakdown of the redetermination process harms thousands of people across Maryland with IDD who depend on DDA waiver services to live with dignity in their communities.

54. When DDA waiver services are terminated, the consequences for people with IDD can be immediate and severe. These services provide essential supports that allow individuals to live in their own homes or community-based residential settings, maintain

employment and engage in other meaningful activities, access healthcare, and participate in their communities.

55. Without these services, people with IDD may face the stark choice between institutionalization or homelessness. Many will be forced into nursing homes or other institutional settings at enormous cost to the State—precisely the outcome that the DDA waiver programs were designed to prevent. Others may become homeless, placing them at grave risk of exploitation, abuse, and medical emergencies.

56. The breakdown of the redetermination process has created profound uncertainty for DDA waiver participants, disrupting plans that they and their families have developed to ensure that they receive appropriate services. The dysfunction has also precipitated a crisis for provider organizations like The Arc Montgomery County, jeopardizing their financial viability and impairing their ability to provide supports to Marylanders with IDD.

Named Plaintiffs' Allegations

Ursula Battle

57. Ursula Battle is a participant in the Community Pathways Waiver. Ms. Battle has been supported by The Arc Montgomery County since 1990.

58. Ms. Battle has lifelong disabilities arising from severe spastic cerebral palsy with quadriparesis/tetraplegia, accompanied by almost total immobility, lack of verbal speech, incontinence, swallowing and nutritional complications, scoliosis, and joint deformities. Ms. Battle uses a wheelchair and specialized adaptive equipment and she communicates nonverbally through gestures and eye/head movements. She is dependent on others for all activities of daily living and requires intensive nursing care and ongoing health and safety monitoring.

59. Ms. Battle formerly resided with her mother where she received home health supports but is transitioning into a group home managed by The Arc Montgomery County due to

her need for continuous supervision and care. Ms. Battle's supports include assistance with feeding, hygiene, mobility, and medical oversight. These services facilitate her community participation and integration, including by giving her access to therapies and communication aids and allowing her to exercise and participate in organized group home activities.

60. MDH wrongfully terminated Ms. Battle from the Community Pathways Waiver on, or about, May 5, 2025.

61. More than seven months earlier, on or before September 30, 2024, Ms. Battle's mother and authorized representative timely submitted Ms. Battle's redetermination application to MDH.

62. On April 4, 2025, MDH issued an approval letter confirming Ms. Battle's continuing eligibility for Medicaid and the Community Pathways Waiver for the period from October 1, 2024, to April 30, 2025.

63. On the same day, however, MDH also issued a closure letter indicating that Ms. Battle's waiver services would be terminated on April 30, 2025, because her assets exceeded the allowable limit when, in fact, they did not.

64. Ms. Battle is under threat of losing these services entirely and her family has had to pay out of pocket for medical supplies and necessary medical and dental care that were previously covered by Medicaid. Her transition to a group home cannot occur until she is reinstated to the Community Pathways Waiver.

65. On or around May 27, 2025, Ms. Battle exercised her fair hearing rights challenging MDH's termination of her waiver eligibility. As of the date of this Complaint, Ms. Battle's request for a fair hearing has not been acknowledged and no hearing has been scheduled. Ms. Battle's benefits have not been reinstated pending appeal.

66. The Arc Montgomery County has not been reimbursed for supports provided to Ms. Battle since May 2025.

Constance Farrell

67. Constance Farrell is a participant in the Community Pathways Waiver. Ms. Farrell has been supported by The Arc Montgomery County since 1994.

68. Ms. Farrell has mild intellectual disability, as well as medical conditions including early onset dementia and focal seizures. Ms. Farrell resides in a group home managed by The Arc Montgomery County where she receives comprehensive support services tailored to her needs. These services include medication management, assistance with activities of daily living, assessment and support for the progression of her dementia, and supervision to prevent falls and other injuries. Ms. Farrell's services enable her to participate in the community by ensuring her safety and well-being, allowing her to engage in social activities and maintain a level of independence appropriate to her abilities.

69. MDH wrongfully terminated Ms. Farrell from the Community Pathways Waiver on, or about, January 31, 2024.

70. Several months earlier, on or around November 30, 2023, The Arc Montgomery County, as Ms. Farrell's authorized representative, completed and submitted redetermination forms on her behalf.

71. Despite this timely submission, on December 17, 2023, MDH issued a letter stating that it had not received Ms. Farrell's redetermination application, and warning that her benefits would be terminated on December 31, 2023, if no redetermination application was received.

72. MDH's letter was not sent to The Arc Montgomery County's current address. Instead, it was sent to The Arc's old address—an address that The Arc notified MDH was no

longer in use when The Arc moved in 2019. Because the letter was sent to the wrong address, it was not received by The Arc Montgomery County as Ms. Farrell's authorized representative.

73. On January 31, 2024, MDH issued a notice to Ms. Farrell informing her that her "medical assistance coverage expired" that day. As legal authority for its action, MDH cited "COMAR 10.09.24.05-8"—a regulation that does not exist. Again, the closing notice was sent to The Arc Montgomery County's old address and was not received.

74. The Arc Montgomery County has not been reimbursed for supports provided to Ms. Farrell since February 1, 2024.

Frank Lee

75. Frank Lee is a participant in the Community Pathways Waiver. Mr. Lee has been supported by The Arc Montgomery County since 2009.

76. Mr. Lee has mild intellectual disability and multiple medical conditions including hypertension, high cholesterol, depression, and complex partial epilepsy. Mr. Lee resides in a group home managed by The Arc Montgomery County where he receives comprehensive care and support. His services include assistance with activities of daily living, medication administration, and support in advocating for his healthcare needs. These services are crucial in enabling Mr. Lee to maintain his independence and social engagement, and in allowing him to participate in community activities.

77. MDH wrongfully terminated Mr. Lee from the Community Pathways Waiver on, or about, January 1, 2024.

78. About six months earlier, on or around June 20, 2023, The Arc Montgomery County, as Mr. Lee's authorized representative, completed and submitted a redetermination application on his behalf.

79. Despite this timely submission, on October 1, 2023, MDH issued new redetermination forms for Mr. Lee's waiver services. The forms were sent to the incorrect address and were not received by The Arc Montgomery County.

80. On November 9, 2023, MDH sent a letter requesting that Mr. Lee provide certain account statements to complete his redetermination application. This letter was also sent to the incorrect address and was not received by The Arc Montgomery County.

81. Because it had not received any confirmation that Mr. Lee's initial redetermination application had been received by MDH, The Arc Montgomery County resubmitted Mr. Lee's redetermination paperwork to MDH on or around November 30, 2023.

82. On December 5, 2023, MDH sent a letter informing Mr. Lee that his redetermination application had been received. The letter stated that Mr. Lee's application was approved, and his Medicaid and waiver program had been renewed for one month. Like the others before it, this letter was sent to the incorrect address and was not received by The Arc Montgomery County.

83. Also on December 5, 2023, MDH sent a letter telling Mr. Lee that his eligibility for his DDA waiver program would be terminated on December 31, 2023, because he "did not give the information needed to establish eligibility." As legal authority for its decision, MDH cited "COMAR 10.09.24.05-8"—a regulation that does not exist. Again, this letter was sent to the incorrect address and was not received by The Arc Montgomery County.

84. After unsuccessfully attempting to contact the Medicaid program's Eligibility Determinations Division about Mr. Lee's disenrollment, The Arc Montgomery County requested a fair hearing on Mr. Lee's behalf. As of the date of this complaint, Mr. Lee's request for a

hearing has not been acknowledged, no hearing has been scheduled, and his benefits have not been reinstated.

85. The Arc Montgomery County has not been reimbursed for the support provided to Mr. Lee since January 1, 2024.

Yolanda Puzzo

86. Yolanda Puzzo is a participant in the Community Pathways Waiver. Ms. Puzzo has been supported by The Arc Montgomery County since 1998.

87. Ms. Puzzo has moderate intellectual and developmental disability, as well as multiple chronic medical and psychiatric diagnoses—including generalized anxiety disorder, mood disorder, diabetes, hypertension, and dysphagia—that significantly impair her memory, reasoning, communication, and physical coordination. She resides in a group home managed by The Arc Montgomery County, where she receives intensive support, including comprehensive health services and support with activities of daily living. These supports enable Ms. Puzzo to live independently and safely in the community.

88. MDH wrongfully terminated Ms. Puzzo from the Community Pathways Waiver on, or about, December 31, 2023.

89. About six months earlier, on or around July 10, 2023, The Arc Montgomery County, as Ms. Puzzo's authorized representative, completed and submitted redetermination materials on her behalf.

90. Despite this timely submission, on August 16, 2023, MDH sent a letter stating that it had not received a redetermination submission from Ms. Puzzo and her benefits would be terminated if her submission was not received by August 31, 2023. MDH's letter was sent to the wrong address and was not received by The Arc Montgomery County.

91. On September 15, 2023, MDH sent a letter to Ms. Puzzo stating that it did not have all the information needed to determine her eligibility and requesting additional financial information. This letter was also sent to the incorrect address and was not received by The Arc Montgomery County.

92. On October 11, 2023, MDH issued a Notice of Closing, stating that Ms. Puzzo's benefits under the Community Pathways Waiver would be terminated on October 31, 2023, providing, as its reason for this action, that she "did not give the information needed to establish eligibility." As legal authority for its decision, MDH cited "COMAR 10.09.24.05-8"—a regulation that does not exist. Again, the closing notice was sent to The Arc Montgomery County's old address and was not received.

93. That very same day, MDH also issued an approval notice, stating that Ms. Puzzo was re-approved for Medicaid and the Community Pathways Waiver from September 1, 2023, to October 31, 2023. This letter was sent to the incorrect address and was not received by The Arc Montgomery County.

94. The Arc Montgomery County has not been reimbursed for support provided to Ms. Puzzo since January 1, 2024.

Class Action Allegations

95. Named Plaintiffs Ursula Battle, Constance Farrell, Frank Lee, and Yolanda Puzzo bring their claims under the Due Process Clause of the Fourteenth Amendment to the United States Constitution, the Medicaid Act, Article 24 of the Maryland Declaration of Rights, and Maryland common law, individually and on behalf of all persons similarly situated.

96. The Class consists of: All persons in Maryland who have participated in a DDA waiver program from the end of the Public Health Emergency, May 11, 2023, to the present.

97. All Class Members have been harmed by the violations at issue or are at imminent risk of harm in the next year, given MDH's responsibility to redetermine eligibility for DDA waiver programs annually and its systemic failure to redetermine eligibility in a non-arbitrary and lawful manner.

98. The Class, as defined above, is identifiable. Named Plaintiffs are members of the Class.

99. Since the end of the Public Health Emergency, in redetermining the Medicaid eligibility of participants in DDA waiver programs, Defendants have utilized a process that violates the Due Process Clause of the Fourteenth Amendment to the United States Constitution, Article 24 of the Maryland Declaration of Rights, the Medicaid Act, and MDH's own regulations.

100. As alleged in Paragraphs 46–56 above, Defendants:

- a. Fail to provide required notice regarding DDA waiver program participants' responsibility to submit redetermination materials and the consequences for failing to do so;
- b. Fail to acknowledge receipt of, or consider, redetermination materials submitted by DDA waiver program participants;
- c. Disenroll individuals from DDA waiver programs without affording them an opportunity to correct technical or minor issues or to spend down assets;
- d. Deny redetermination applications without adequate or any notice, including by using boilerplate language and relying on incorrect or nonexistent regulations to justify their action;
- e. Fail to promptly acknowledge and timely schedule fair hearings;

- f. Fail to continue individuals' waiver benefits while their appeals from MDH's decisions are pending.

101. Unless and until the Court grants the declaratory and injunctive relief that Plaintiffs seek through this action, Defendants will continue to engage in the unlawful practices described above that violate the Class Members' constitutional rights and rights under the Medicaid Act, and that jeopardize the Class Members' access to essential medical and disability-related services.

102. Upon information and belief, the Class is so numerous that joinder of all members is impracticable.

103. There are questions of law and fact with respect to Defendants' denial, reduction, and termination of Medicaid and DDA waiver services for people with IDD that are common to all Class Members.

104. Named Plaintiffs' claims are typical of the claims of the respective members of the Class within the meaning of Maryland Rule 2-231(b)(3) and are based on and arise out of similar facts constituting Defendants' wrongful conduct.

105. Named Plaintiffs' counsel are experienced in class actions and foresee little difficulty in the management of this case as a class action.

106. Named Plaintiffs are adequate representatives of the Class, have no interests antagonistic to the Class, and will fairly represent the interests of the Class in accordance with their affirmative obligations and fiduciary duties.

107. Defendants' actions and omissions are based on grounds that have affected and will affect the Class generally, thereby making appropriate final declaratory and injunctive relief with respect to the class as a whole under Maryland Rule 2-231(c)(2).

The Arc Montgomery County's Role in Providing Waiver Services

108. The Arc Montgomery County was established in 1958 to provide services to children with disabilities. Over the subsequent decades, the organization expanded its focus to provide a broader array of community-based services for people with IDD, including vocational support, support for families, and residential group homes. The Arc Montgomery County now operates 30 residential sites in Montgomery County and serves as a critical component of Maryland's disability service infrastructure.

109. The Arc Montgomery County has been a licensed service provider since the 1970s and has supported hundreds of DDA waiver program participants. The Arc supports people with IDD under all three DDA waiver programs.

110. The Arc Montgomery County, like other service providers throughout Maryland, plays a significant role in the lives of DDA waiver program participants. For some, The Arc provides housing, mobility assistance, financial management, employment training, social connection, and community integration. For many of the people it supports, The Arc Montgomery County also serves as their authorized representative in the redetermination process.⁵ The relationship between providers like The Arc Montgomery County and the individuals they support can span decades—some participants now in their 70s have been supported by The Arc for over 50 years, representing a lifetime partnership.

111. The Arc Montgomery County relies on funding from MDH to provide these services to DDA waiver program participants. The services provided by The Arc and other

⁵ An authorized representative is an individual or organization that a Medicaid applicant or beneficiary may designate to act responsibly on their behalf in assisting with Medicaid applications, renewal of eligibility, and other ongoing communications with the Medicaid agency. See 42 C.F.R. § 435.923.

providers are expensive and resource-intensive, reflecting the comprehensive, round-the-clock nature of the support that some individuals with IDD require.

112. The Arc Montgomery County invoices Defendants for the services it provides to DDA waiver participants on a daily, weekly, bi-weekly, or monthly basis, depending on the type of service being provided. Aside from minor contributions to the cost of room and board by DDA waiver participants, MDH is the only entity that can pay The Arc for the services it provides pursuant to DDA waiver programs. A provider cannot bill a DDA waiver participant for covered services, nor can it collect payment from a participant and refund that money at a later date once Defendants process claims for services rendered.

113. MDH's own regulations further underscore the critical nature of the services provided by The Arc Montgomery County and similar providers. Once a provider begins to provide supports to a DDA waiver program participant, it has a continuing obligation to do so; providers may only terminate services for "good cause," with written approval of the Director of the DDA, and with 90 days' notice to the Director of DDA and the individual waiver participant. COMAR 10.22.02.02(G). This regulatory framework acknowledges that disruption of these services can have catastrophic consequences for people with IDD.

The Arc Montgomery County's Contract With Defendants

114. The Arc Montgomery County and DDA are parties to an Agreement for Providers of Home and Community-Based Services Under the Maryland Department of Health's Developmental Disabilities Administration Medicaid Waiver Program(s) ("HCBS Agreement"), a true and correct copy of which is attached as Exhibit A.

115. Section 1.3 of the HCBS Agreement incorporates the Medicaid Program Provider Agreement and DDA Addendum into the HCBS Agreement. A copy of the Medicaid Program Provider Agreement ("Provider Agreement") is attached as Exhibit B. A copy of the DDA

Addendum is attached as Exhibit C. All providers enrolling in or revalidating their enrollment in the Maryland Medicaid program must electronically sign the Provider Agreement. The Arc Montgomery County has electronically signed the Provider Agreement numerous times since first enrolling as a Medicaid provider. A true and correct copy of one of The Arc Montgomery County's electronic signature confirmations is attached as Exhibit D.

116. Together the HCBS Agreement, the Provider Agreement, and the DDA Addendum (collectively, the "Agreements") govern The Arc Montgomery County's relationship with MDH as a provider of DDA waiver services.

117. The Arc Montgomery County has complied with its obligations under the Agreements, including:

- a. Obtaining and maintaining all required licenses, certifications, and approvals from MDH to provide services to waiver program participants;
- b. Complying with all applicable standards of care and practice, professional standards, and federal, state, and local laws, statutes, ordinances, rules and regulations governing the provision of services to waiver program participants;
- c. Maintaining all required records relating to its provision of services to waiver program participants, including verification of staff qualifications and documentation supporting the validity and accuracy of all claims submitted; and
- d. Cooperating with all inspections, reviews, and audits conducted by representatives of MDH and other authorized agencies.

118. The Agreements also contain MDH's promises to The Arc Montgomery County. Among other things, MDH promises in the Agreements to "comply with . . . applicable laws and regulations," Ex. A, HCBS Agreement § 3, and to "reimburse the [The Arc Montgomery

County] for medically necessary Services provided to Recipients that are covered by the Maryland Medical Assistance Program at the time of service,” Ex. B, Provider Agreement § II.A.

119. MDH has materially breached its promises in the Agreements in multiple ways. For example:

- a. MDH’s failure to provide notice and an opportunity for a fair hearing before terminating DDA waiver benefits in violation of the Due Process Clause, the Medicaid Act, and Article 24 is a breach of Section 3 of the HCBS agreement.
- b. MDH’s failure to follow federal and state regulations implementing the Medicaid Act, *see* Paragraph 45, *supra*; 42 C.F.R. §§ 431.200–.246; COMAR 10.01.04.01–.12, is also a breach of Section 3 of the HCBS Agreement.
- c. Since January 1, 2024, MDH has failed to reimburse The Arc Montgomery County for services provided to over thirty DDA waiver program participants, including Named Plaintiffs.

120. As of the date of this Complaint, MDH owes The Arc Montgomery County more than \$9 million for services provided but not reimbursed.

121. Despite MDH’s material breaches of the Agreements, The Arc Montgomery County remains committed to fulfilling its mission of supporting people with IDD and providing essential services to DDA waiver program participants, including Named Plaintiffs, many of whom have been with The Arc Montgomery County for decades.

122. The Arc Montgomery County has repeatedly raised its concerns about the redetermination process with Defendants, has sought to work with Defendants to ensure continuation of services for the people it supports, and has requested reimbursement for services

provided, without success. The current situation—where The Arc Montgomery County provides millions of dollars in services without reimbursement—is financially and operationally unsustainable. Without corrective measures, The Arc Montgomery County will not be able to continue fulfilling its mission and people with IDD are put at risk of losing the support they need to live with dignity in their communities.

Causes of Action

COUNT I: Violation of Due Process
Fourteenth Amendment to the United States Constitution

By Named Plaintiffs and the Class Against Defendant Seshamani

123. Plaintiffs incorporate by reference the allegations in the foregoing paragraphs as if fully restated herein.

124. Defendants’ practices and procedures alleged herein fail to provide notice, opportunity to be heard, and reasoned decision-making in violation of the Due Process clause of the Fourteenth Amendment to the United States Constitution by:

- a. Failing to provide required notice regarding DDA waiver program participants’ responsibility to submit redetermination materials and the consequences for failing to do so;
- b. Failing to acknowledge receipt of, or consider, redetermination materials submitted by DDA waiver program participants;
- c. Disenrolling individuals from DDA waiver programs without affording them an opportunity to correct technical or minor issues or to spend down assets;
- d. Denying redetermination applications without adequate or any notice, including by using boilerplate language and relying on incorrect or nonexistent regulations to justify its action;

- e. Failing to promptly acknowledge and timely schedule fair hearings;
- f. Failing to continue participants' waiver benefits while their appeals from MDH's decisions are pending.

125. These violations, which have been repeated and knowing, entitle Named Plaintiffs and the Class to relief under 42 U.S.C. § 1983 and under the Fourteenth Amendment to the United States Constitution including declaratory relief, preliminary and permanent injunctive relief, and reasonable attorneys' fees pursuant to 42 U.S.C. § 1988(b).

COUNT II: Violation of the Medicaid Act

By Named Plaintiffs and the Class Against Defendant Seshamani

126. Plaintiffs incorporate by reference the allegations in the foregoing paragraphs as if fully restated herein.

127. The Medicaid Act requires MDH to provide “an opportunity for a fair hearing before . . . any individual[’s] . . . claim for medical assistance . . . is denied or not acted upon with reasonable promptness.” 42 U.S.C. § 1396a(a)(3). The Medicaid Act also provides that “all individuals wishing to make application for medical assistance . . . shall have opportunity to do so, and that such assistance shall be furnished with reasonable promptness.” *Id.* § 1396a(a)(8).

128. As alleged in detail above, Defendants have failed to provide an “opportunity” to “make application for medical assistance” and an “opportunity for a fair hearing,” and have failed to act with “reasonable promptness” by:

- a. Failing to provide required notice regarding DDA waiver program participants' responsibility to submit redetermination materials and the consequences for failing to do so;

- b. Failing to acknowledge receipt of, or consider, redetermination materials submitted by DDA waiver program participants;
- c. Disenrolling individuals from DDA waiver programs without affording them an opportunity to correct technical or minor issues or to spend down assets;
- d. Denying redetermination applications without adequate or any notice, including by using boilerplate language and relying on incorrect or nonexistent regulations to justify its action;
- e. Failing to promptly acknowledge and timely schedule fair hearings;
- f. Failing to continue participants' waiver benefits while their appeals from MDH's decisions are pending.

129. Defendants' violations, which have been repeated and knowing, entitle Named Plaintiffs and the Class to relief under 42 U.S.C. § 1983 including declaratory relief, preliminary and permanent injunctive relief, and reasonable attorneys' fees pursuant to 42 U.S.C. § 1988(b).

COUNT III: Violation of Due Process
Article 24 of the Maryland Declaration of Rights

By Named Plaintiffs and the Class Against All Defendants

130. Plaintiffs incorporate by reference the allegations in the foregoing paragraphs as if fully restated herein.

131. Defendants' practices and procedures alleged herein fail to provide notice, opportunity to be heard, and reasoned decision-making in violation of Article 24 of the Maryland Declaration of Rights by:

- a. Failing to provide required notice regarding DDA waiver program participants' responsibility to submit redetermination materials and the consequences for failing to do so;

- b. Failing to acknowledge receipt of, or consider, redetermination materials submitted by DDA waiver program participants;
- c. Disenrolling individuals from DDA waiver programs without affording them an opportunity to correct technical or minor issues or to spend down assets;
- d. Denying redetermination applications without adequate or any notice, including by using boilerplate language and relying on incorrect or nonexistent regulations to justify its action;
- e. Failing to promptly acknowledge and timely schedule fair hearings;
- f. Failing to continue participants' waiver benefits while their appeals from MDH's decisions are pending.

132. These violations, which have been repeated and knowing, entitle Named Plaintiffs and the Class to relief under Article 24 of the Maryland Declaration of Rights including declaratory relief, preliminary and permanent injunctive relief.

COUNT IV: Common Law Mandamus

By Named Plaintiffs and the Class Against All Defendants

133. Plaintiffs incorporate by reference the allegations in the foregoing paragraphs as if fully restated herein.

134. Named Plaintiffs, on behalf of themselves and the Class, seek a Writ of Mandamus pursuant to Md. Code Ann., Cts. & Jud. Proc. § 3-8B-01 *et seq.* compelling Defendants to comply with the non-discretionary duties set forth in COMAR 10.01.04.01–.12 and COMAR 10.09.24.01–.17.

135. Defendants have a clear, non-discretionary duty to ensure that redeterminations are conducted in accordance with the procedural safeguards mandated by COMAR 10.01.04.01–.12 and COMAR 10.09.24.01–.17. The plain language of these provisions imposes such a duty.

- a. Under COMAR 10.09.24.12, MDH “shall notify [a] recipient that redetermination is required to establish continuing eligibility” at least 45 days before benefits are terminated. *See* COMAR 10.09.24.12(C)(3)(b).
- b. Under COMAR 10.01.04.03, MDH “shall notify” an individual of their right to obtain a hearing, the method to obtain a hearing, and that the individual may represent themselves or use an authorized representative. *See* COMAR 10.01.04.03(A).
- c. Under COMAR 10.01.04.03, a notice of disenrollment from a DDA waiver program “shall . . . [i]nclude the reasons for the intended action” and “[i]nclude the specific regulations that support, or the change in federal or State law that requires, the action.” *See id.* (B)(3)–(4).
- d. Under COMAR 10.01.04.04, once an individual requests a fair hearing, MDH “shall . . . [p]romptly acknowledge any request for a fair hearing,” give advance notice of date, time, and place, and “[p]rovide the appellant with” proper notice as spelled out in COMAR 10.01.04.03(B). *See* COMAR 10.01.04.04(B).
- e. Under COMAR 10.01.04.10, MDH “may not” terminate or reduce benefits if it timely mails proper notice under COMAR 10.01.04.03 and the beneficiary requests a hearing date. *See id.* (A)(2). MDH “shall reinstate and continue” any terminated services if, among other things, adverse action is taken without proper notice under COMAR 10.01.04.03. *See* COMAR 10.01.04.10(B)(3).

136. Defendants have systematically failed to fulfill these obligations, resulting in the unlawful and erroneous disenrollment of people with IDD from DDA waiver programs on which they depend.

137. MDH's failure to adhere to the non-discretionary procedural requirements set forth in COMAR 10.01.04.01-.12 and COMAR 10.09.24.01-.17 has caused and continues to cause irreparable harm to Named Plaintiffs and the Class, depriving them of essential services and supports necessary for their health and well-being.

COUNT V: Breach of Contract

By The Arc Montgomery County Against Defendant Maryland Department of Health

138. Plaintiffs incorporate by reference the allegations in the foregoing paragraphs as if fully restated herein.

139. The Arc Montgomery County and MDH are parties to and are bound by their respective promises in the Agreements.

140. The Arc Montgomery County has fully complied with its obligations pursuant to the Agreements by providing DDA waiver services to people with IDD.

141. MDH has materially breached the Agreements and continues to do so by, *inter alia*, failing to comply with all applicable laws and regulations and by failing to reimburse The Arc Montgomery County for the services it has provided (and continues to provide) to participants in DDA waiver programs.

142. As a direct and proximate result of MDH's breach, The Arc Montgomery County has sustained damages in an amount to be proven but reasonably believed to exceed \$9 million dollars.

Prayer for Relief

WHEREFORE, Plaintiffs respectfully request that the Court:

- a. Certify the Class proposed by Named Plaintiffs;
- b. Appoint Named Plaintiffs as Class Representatives, and appoint their counsel as Class Counsel;
- c. Enter judgment in favor of Named Plaintiffs and the Class and against Defendants as to Counts I, II, III, and IV;
- d. Declare that, in redetermining the Medicaid and/or DDA waiver program eligibility of the Named Plaintiffs and the Class, Defendants employ a process that does not comport with state and federal constitutional guarantees of due process, the requirements of the federal Medicaid Act, and state fair hearing regulations;
- e. Grant preliminary and permanent injunctive relief requiring Defendants, their agents, successors, and employees to rescind all DDA waiver program disenrollment decisions issued after the Public Health Emergency ended on May 11, 2023, and conduct redeterminations for all individuals enrolled in DDA waiver programs since May 11, 2023, in accordance with the due process requirements of the United States Constitution, the Medicaid Act, Article 24 of the Declaration of Rights, and federal and state law;
- f. Issue a Writ of Mandamus requiring Defendants to comply with and immediately perform the non-discretionary duties set forth in COMAR 10.01.04.01–.12 and COMAR 10.09.24.01–.17;
- g. Declare that MDH has materially breached the Agreements by failing to comply with all applicable laws and regulations and by failing to reimburse The Arc Montgomery County for the services it has provided to DDA waiver program participants since January 1, 2024;

- h. Enter a judgment in favor of The Arc Montgomery County and against MDH as to Count V, in an amount to be proved at trial but reasonably believed to exceed \$75,000;
- i. Award Plaintiffs their reasonable attorneys' fees pursuant to 42 U.S.C. § 1988;
- j. Award Plaintiffs the costs of this action; and
- k. Award any other such relief as this Court may deem just and proper.

Respectfully submitted,



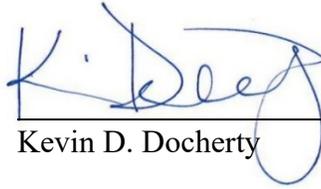
Kevin D. Docherty (CPF# 1212110239)
Joshua N. Auerbach (CPF# 0006210023)
Neel K. Lalchandani (CPF # 1712130303)
BROWN GOLDSTEIN & LEVY, LLP
120 E. Baltimore Street, Suite 2500
Baltimore, Maryland 21202
T: (410) 962-1030
F: (410) 385-0869
kdocherty@browngold.com
jauerbach@browngold.com
nlalchandani@browngold.com

Dated: September 24, 2025

Attorneys for Plaintiffs

DEMAND FOR JURY TRIAL

Plaintiffs hereby request a trial by jury.



Kevin D. Docherty

EXHIBIT A

HCBS Agreement

**AGREEMENT FOR PROVIDERS OF HOME AND COMMUNITY-BASED SERVICES
UNDER THE MARYLAND DEPARTMENT OF HEALTH'S
DEVELOPMENTAL DISABILITIES ADMINISTRATION
MEDICAID WAIVER PROGRAM(S)**

This Agreement (the "Agreement") is entered into between the Developmental Disabilities Administration ("DDA"), a unit of the Maryland Department of Health (the "Department"), and *The Arc Montgomery County* ("Provider"), an individual or entity that is authorized by law to provide home and community-based services to individuals with a developmental disability in the State of Maryland funded under at least one of the DDA's Medicaid Section 1915(c) Waiver programs.

RECITALS

WHEREAS, pursuant to, and in accordance with, Title 7 of the Health-General Article of the Maryland Annotated Code, the Department, primarily through DDA, both licenses and funds the provision of home and community-based services ("Services") to individuals with a developmental disability in the State of Maryland ("Recipients");

WHEREAS, pursuant to, and in accordance with, Title 7, Subtitle 9 of the Health-General Article, the Department licenses (including certification or approval) persons (as defined in § 1-101 of the Health-General Article including both individuals and entities) who meet, and continually comply with, certain minimum qualifications, set forth in Title 10, Subtitle 22 of the Code of Maryland Regulations, to provide Services to Recipients;

WHEREAS, the DDA, on behalf of the Department, also funds Services to Recipients through its administration of three Medicaid Section 1915(c) Home and Community-Based Services Waiver programs (each a "Waiver program" and, collectively, the "Waiver programs"): Community Pathways Waiver ("CPW"); Community Supports Waiver ("CSW"); and Family Supports Waiver ("FSW");

WHEREAS, each Waiver program has been approved by the federal Centers for Medicare & Medicaid Services ("CMS"), pursuant to, and in accordance with, Section 1915(c) of the Social Security Act and Title 42, Part 441, Subpart G of the Code of Federal Regulations;

WHEREAS, with such approval, the Department may submit a claim to CMS for payment of federal financial participation ("FFP"), in accordance with 42 C.F.R. § 400.203, for Services rendered to an eligible Recipient and funded by a Waiver program, meeting the Waiver program's requirements, including the Provider's compliance with certain conditions for participation;

WHEREAS, to provide Services to Recipients, and receive funding from a Waiver program for provision of Services, the Provider must comply with all applicable laws, rules, regulations, and policies governing provision of Services, including, but not limited to, maintaining a license

from the Department and enrollment in the Department's Medical Assistance Program (the "Medicaid Program");

WHEREAS, to enroll in the Medicaid Program for provision of Services funded by one or more of the Waiver programs, the Provider must review and sign the Medicaid Program's Provider Agreement and the DDA Addendum, specifically addressing conditions for participation with which the Provider must comply to receive funding from the Waiver program for provision of Services to Recipients enrolled in that Waiver program; and

WHEREAS, this Agreement is intended to specify requirements for licensure and funding applicable to Providers of Services to Recipients under the DDA's Waiver programs, supplementing, but not superseding, the requirements set forth in the Medicaid Program's Provider Agreement and DDA Addendum;

NOW THEREFORE, in reliance on the representations contained herein, in exchange for mutual promises, covenants, and obligations in this Agreement, and for good and valuable consideration, the receipt of which is hereby acknowledged, and with the intent to be legally bound, the Provider and DDA stipulate and agree to the following.

1. Incorporation.

1.1. Recitals. The recitals set forth above are hereby incorporated into, and made a part of, this Agreement.

1.2. Application. The Provider's applications for licensure by the Department and enrollment in the Medicaid Program for provision of Services to Recipients funded by a Waiver program, submitted and signed by the Provider, are hereby incorporated into, and made part of, this Agreement.

1.3. Medicaid Program Provider Agreement & DDA Addendum. The Medicaid Program's Provider Agreement, including the DDA Addendum, submitted and signed by the Provider, is hereby incorporated into, and made part of, this Agreement.

2. Provider's Responsibilities.

2.1. Prior to provision of Services to any Recipient, the Provider agrees that it will obtain and maintain:

2.1.1. A license (or certification or approval) from the Department to provide Services to Recipients, pursuant to and in accordance with Title 7, Subtitle 9 of the Health-General Article and Title 10, Subtitle 22 of the Code of Maryland Regulations ("COMAR"); and

2.1.2. Enrollment in the Department’s Medicaid Program for provision of Services to Recipients funded by one of DDA’s Waiver programs in accordance with applicable laws, regulations, and policies governing the Medicaid Program and DDA’s Waiver programs.

2.2. As further provided in the Medicaid Program’s Provider Agreement and the DDA Addendum, the Provider agrees to comply with all standards of care and practice, professional standards, and all applicable federal, State, and local laws, statutes, ordinances, rules and regulations, as well as all applicable policies, procedures, transmittals, and guidance issued by the Department, governing the Provider and the Provider’s provision of Services to Recipients, including, but not limited to:

2.2.1. All applicable State laws, statutes, and rules and regulations governing licensure (including certification or approval) of Providers, including, but not limited to:

- 2.2.1.1.** Title 7 of the Health-General Article;
- 2.2.1.2.** Title 10, Subtitle 22 of Code of Maryland Regulations (“COMAR”);
- 2.2.1.3.** COMAR 14.31.05-.07, governing licensure of Providers serving children; and
- 2.2.1.4.** COMAR 10.27.11, governing delegation of nursing tasks;

2.2.2. All applicable Federal laws, statutes, rules and regulations governing the Medicaid Program, including, but not limited to:

2.2.2.1. Laws, statutes, rules and regulations applicable to the DDA’s Waiver programs, including, but not limited to Section 1915(c) of the Social Security Act and Title 42, Part 441, Subpart G of the Code of Federal Regulations (“C.F.R.”);

2.2.2.2. Legal requirements for performing checks of applicable exclusion lists as set forth in 42 U.S.C. § 1396b(i) and the Medicaid Program’s Provider Agreement; and

2.2.2.3. Disclosure of information, such as ownership and control, as required by 42 C.F.R. §§ 455.102 through 455.105 and the Medicaid Program’s Provider Agreement;

2.2.3. All applicable State laws, statutes, rules and regulations governing the Medicaid Program, including, but not limited to:

2.2.3.1. COMAR 10.09.36, governing general Conditions for Participation for Providers;

2.2.3.2. COMAR 10.09.48, governing targeted case management services, applicable to Providers of Coordination of Community Services; and

2.2.3.3. COMAR 10.09.26, governing Services funded under the CPW;

2.2.4. All applicable requirements set forth in each Waiver program application document under which the Provider receives funding for provision of Services to eligible Recipients;

2.2.5. All applicable requirements for identifying, reporting, and investigating incidents as set forth in DDA's Policy on Reportable Incidents and Investigations ("PORII"), incorporated by reference into Maryland's regulations at COMAR 10.22.02.01;

2.2.6. All applicable policies, procedures, transmittals, and guidance issued by the Department;

2.2.7. All applicable policies, procedures, transmittals, and guidance issued by CMS; and

2.2.8. All applicable federal, State, or local laws, statutes, ordinances, rules and regulations governing any aspect of the Provider and its provision of Services, including but not limited to legal requirements pertaining to:

2.2.8.1. Employment and worker's compensation;

2.2.8.2. Maintaining registration in good standing with Maryland State Department of Assessments and Taxation;

2.2.8.3. Federal and State tax reporting, filing, and payment;

2.2.8.4. Zoning;

2.2.8.5. Building and Fire codes; and

2.2.8.6. Licensure required by other applicable laws, such as health occupations or home improvement;

2.2.8.7. Non-Discrimination laws, including, but not limited to, as the American with Disabilities Act, as further described in the Medicaid Program's Provider Agreement; and

2.2.8.8. Protection of the confidentiality of Recipient's information in accordance with the requirements of the:

(a) Health Insurance Portability and Accountability Act (HIPAA) of 1996, as amended, and federal regulations issued pursuant to HIPAA, including Title 45, Parts 160, 162, and 164 of the C.F.R.;

(b) Maryland Confidentiality of Medical Records Act, set forth in Title 4, Subtitle 3 of the Health-General Article; and

(c) DDA's statute, governing protection and disclosure of Recipients' records, set forth in §§ 7-1008 through 7-1011 of the Health-General Article.

2.3. In accordance with COMAR Title 10, Subtitle 22, COMAR 10.09.36, COMAR 10.09.26, COMAR 10.09.48, each DDA Waiver program application, the Medicaid Program Provider Agreement and DDA Addendum, any other federal, State, or local laws, statutes, rules and regulations, and the Department's and CMS's policies, procedures, transmittals, and guidance, the Provider will verify that each individual or entity who render Services to Recipients

on the Provider's behalf, whether employees, contractors, or volunteers, meet all applicable qualifications, and successfully pass all applicable background checks, prior to rendering any Services to Recipients.

2.4. As provided in Section 2.3 of this Agreement, qualifications and background checks may include, but are not limited to:

2.4.1. Obtaining the Department's written permission before employing, on contracting with, an individual employee of the State of Maryland, whose duties include matters relating to this Agreement, as provided in the Medicaid Program's Provider Agreement;

2.4.2. Verifying the individual or entity is not excluded from participation in the Medicaid Program (and direct or indirect receipt of Medicaid funding), in accordance with 42 U.S.C. § 1396b(i), the Medicaid Program's Provider Agreement, and any other applicable laws or regulations;

2.4.3. Verifying that the individual successfully passed a criminal background check, in accordance with COMAR 10.22.02.11 and the applicable DDA's Waiver program application(s);

2.4.4. Verifying that the individual successfully passed a Child Protective Services clearance, in accordance with COMAR 14.31.05-.07 and the applicable requirements set forth in the DDA's Waiver program application(s), if applicable because the Provider provides Services to Recipients who are children;

2.4.5. Verifying that the individual or entity meets all applicable qualifications to render the specific Services to the Recipient set forth in federal or State laws, statutes, rules and regulations, the Department's or CMS's policies, procedures, transmittals, and guidance, and the DDA's Waiver program application(s), including, but not limited to completion of all required training and education and maintenance of any required licensure, certification, or other approvals.

2.5. As further provided in the Medicaid Program's Provider Agreement, §§ 7-306.1, 7-909, and 7-1007 of the Health-General Article, COMAR Title 10, Subtitle 22 (including COMAR 10.22.02.03 and COMAR 10.22.02.13), COMAR 10.09.36, COMAR 10.09.26, COMAR 10.09.48, any other federal, State, or local laws, statutes, rules and regulations, and the Department's and CMS's policies, procedures, transmittals, and guidance, the Provider will:

2.5.1. Maintain records relating to Provider's provision of Services to Recipients, including the Provider's compliance with applicable requirements for licensure and funding, including, but not limited to:

2.5.1.1. Verification of qualifications as provided in Sections 2.3 and 2.4 of this Agreement; and

2.5.1.2. Documentation supporting the validity and accuracy of any claims submitted by the Provider per Section 2.6 of this Agreement; and

2.5.2. Create and complete reports required by federal, State, or local laws, statutes, rules and regulations, including, but not limited to, incident and investigation reports per PORII, cost reports, and wage surveys;

2.5.3. Respond timely to all requests for information, records, or reports from representatives of the Department;

2.5.4. Provide access to its records and premises upon request of representatives of the Department (including, but not limited to, DDA, the Medicaid Program, Office of Inspector General, and Office of Health Care Quality), the State Medicaid Fraud Control Unit, CMS, or any other federal, State, or local governmental agency with authority to oversee the Provider and its compliance with applicable laws, statutes, or rules and regulations.

2.6. The Provider will submit all claims for payment to the Department in accordance with the Medicaid Program's Provider Agreement, Title 7, Subtitle 3 of the Health-General Article, COMAR Title 10, Subtitle 22, COMAR 10.09.36, COMAR 10.09.26, COMAR 10.09.48, any other federal, State, or local laws, statutes, rules and regulations, and the Department's and CMS's policies, procedures, transmittals, and guidance.

2.7. In accordance with §§ 7-306.1 and 7-909 of the Health-General Article, the Medicaid Program's Provider Agreement, COMAR Title 10, Subtitle 22 (including COMAR 10.22.02.03 and COMAR 10.22.02.04), COMAR 10.09.36, COMAR 10.09.26, COMAR 10.09.48, any other federal, State, or local laws, statutes, rules and regulations, and the Department's and CMS's policies, procedures, transmittals, and guidance, the Provider will cooperate with all inspections, reviews, and audits conducted by representatives of the Department (including, but not limited to, DDA, the Medicaid Program, Office of Inspector General, and Office of Health Care Quality), the State Medicaid Fraud Control Unit, CMS, or any other federal, State, or local governmental agency with authority to oversee the Provider and its compliance with applicable laws, statutes, or rules and regulations.

2.8. The Provider will submit any plans of correction for any deficiency cited by the Department in a timely manner, in accordance with applicable requirements set forth in COMAR Title 10, Subtitle 22 (including COMAR 10.22.02.03 and COMAR 10.22.02.04).

3. Department's and DDA's Responsibilities. The Department agrees to comply with its requirements and obligations set forth in the Medicaid Program's Provider Agreement and applicable laws and regulations.

4. Term & Termination.

4.1. Term. This Agreement shall be effective on the date the Provider is enrolled in the Medicaid Program for provision of Services to Recipients funded by at least one of DDA's Waiver Programs. This Agreement shall remain in effect until either party terminates the

Provider's enrollment in the Medicaid Program for provision of Services to Recipients funded by at least one of DDA's Waiver Programs.

4.2. Termination.

4.2.1. For Cause. As further specified in Section 5 of this Agreement, the Department may terminate this Agreement immediately for cause, at any time, if the Provider fails to obtain or maintain: (1) licensure to provide the Services to the Recipients; or (2) enrollment in the Medicaid Program, specifically one of DDA's Waiver programs.

4.2.2. For Convenience.

4.2.2.1. By Department. As provided in the Medicaid Program's Provider Agreement, the Department may terminate this Agreement immediately, upon written notice and at any time, if, for any reason, the Department's funding for the Services from applicable State or federal sources is not appropriated, budgeted, or otherwise made available in sufficient amounts, or is withdrawn, limited or impaired.

4.2.2.2. By Provider. The Provider may terminate this Agreement at any time, without cause, by providing written notice to the Department 90 calendar days prior to termination.

4.3. Effect of Termination. In the event of expiration or termination of this Agreement, as provided in Sections 4.1 and 4.2 of this Agreement, this Agreement shall be wholly void and have no further force effect except for those obligations: (1) that arose during the term of this Agreement; or (2) are intended by the parties to survive expiration or termination of this Agreement.

5. Remedies. Pursuant to, and in accordance with applicable laws and regulations, the Department may seek appropriate remedies for the Provider's failure to comply with applicable laws, rules, or regulations, including, but not limited to:

5.1. Disciplinary action against the Provider's license pursuant to, and in accordance with Health-General Article § 7-910, State Government Article § 10-226, and COMAR 10.22.03;

5.2. Collection of overpayment or improper payments to the Provider in accordance with applicable federal and State laws and regulations; and

5.3. Imposition of sanctions related to the Provider's enrollment in the Medicaid Program, including, but not limited to suspension or removal from the Medicaid Program, pursuant to and in accordance with COMAR 10.09.36.08.

6. Miscellaneous.

6.1. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the parties, and there shall be no modification unless reduced to writing and signed by the respective parties. This Agreement supersedes any similar agreement between the Department and the Provider, except for the Medicaid Program's Provider Agreement and DDA Addendum, incorporated by reference by Section 1.3 of this Agreement.

6.2. Binding. The parties agree that the conditions, covenants, and agreements of this Agreement shall be binding and may be legally enforced by, and against, each of the parties.

6.3. Non-Transferrable. The parties agree that this Agreement is not transferrable or assignable.

6.4. Severability. If any provision or party of this Agreement is determined to be contrary to law or otherwise unenforceable, said provision or part shall be stricken and the remainder of the Agreement shall be unaffected and continue in full force and effect.

6.5. Effect of Headings and Numbers. Section headings and numbers used in this Agreement are intended solely for convenience and ease of reference and shall not amplify, limit, modify, or otherwise be used in the interpretation of any provision of the Agreement. In addition, the use of singular or plural shall be deemed to include the other whenever the context so indicates or requires.

6.6. Governing Law. This Agreement shall be interpreted in accordance with the laws of the State of Maryland.

Signatures on Next Page

PROVIDER NAME: The Arc Montgomery County
NAME OF REPRESENTATIVE SIGNING FOR PROVIDER (if applicable):

CEO
TITLE OF REPRESENTATIVE SIGNING FOR PROVIDER (if applicable):

Daria Cervantes


Signature of Provider

8/5/21
Date

DEVELOPMENTAL DISABILITIES ADMINISTRATION


Bernard Simons
Deputy Secretary

8/11/2021
Date

EXHIBIT B

Provider Agreement

MARYLAND MEDICAL ASSISTANCE PROVIDER AGREEMENT

This Agreement (the “Agreement”), entered into between the Maryland Department of Health (the “Department”) and Provider, is made pursuant to Title XIX and Title XXI of the Social Security Act, Health-General, Title 15, Annotated Code of Maryland and state regulations promulgated thereunder to provide medical care, and home- and community-based services and/or remedial care and services (“Service(s)”) to eligible Maryland Medical Assistance recipients (“Recipient(s)”). On its effective date, this Agreement supersedes and replaces any existing contracts between the parties related to the provision of Services to Recipients.

I. PROVIDER OBLIGATIONS:

A. The Provider complies with all standards of practice, professional standards, levels of Service, and all applicable federal and state laws, statutes, rules and regulations, as well as all administrative policies, procedures, transmittals, and guidelines issued by the Department, including but not limited to, verifying Recipient eligibility, obtaining prior authorizations, submitting accurate, complete and timely claims, and conducting business in such a way the Recipient retains freedom of choice of providers. The Provider acknowledges his, her or its responsibility to become familiar with those requirements as they may differ significantly from those of other third party payor programs.

B. The Provider agrees to maintain adequate medical, financial and administrative records that fully justify and describe the nature and extent of all goods and Services provided to Recipients for a minimum of six years from the date of payment or longer if required by law. The Provider agrees to provide access upon request to its business or facility and all related Recipient information and records, including claims records, to the Department, the Medicaid Fraud Control Unit (MFCU) of the Maryland Attorney General’s Office, the U.S. Department of Health and Human Services, and/or any of their respective employees, designees or authorized representatives. This requirement does not proscribe record requirements by other laws, regulations, or agreements. It is the Provider’s responsibility to obtain any Recipient consent required to provide the Department, its designee, the MFCU, federal employees, and/or designees or authorized representatives with requested information and records or copies of records. Failure to timely submit or failure to retain adequate documentation for services billed to the Department may result in recovery of payments for Services not adequately documented, and may result in the termination or suspension of the Provider from participation as a Medical Assistance provider.

1. Original records must be made available upon request during on-site visits by Department personnel or personnel of the Department’s designee.

2. Copies of records must be timely forwarded to the Department upon written request;

C. The Provider agrees to protect the confidentiality of all Recipient information in accordance with the terms, conditions and requirements of the Health Insurance Portability and Accountability Act (HIPAA) of 1996, as amended, and regulations adopted thereunder contained in 45 CFR 160, 162 and 164, and the Maryland Confidentiality of Medical Records Act (Md. Ann. Code, Health-General §§4-301 et seq.).

D. The Provider agrees to provide services on a non-discriminatory basis and not discriminate on the basis of race, color, national origin, age, religion, gender, sex, developmental disabilities, mental disabilities, physical disabilities, sexual orientation, or marital status.

E. The Provider agrees to provide Services in compliance with the Americans with Disabilities Act of 1990, Section 504 of the Rehabilitation Act of 1973, and their respective accompanying regulations, and ensure that qualified individuals with disabilities are given an opportunity to participate in and benefit from its Services, including providing interpretive services for the deaf and hard of hearing when required.

F. The Provider agrees to provide Services in compliance with Section 1557 of the Affordable Care Act (42 U.S.C 18116) that requires Providers to post a non-discrimination statement, language accessibility statement, grievance procedure and taglines advising that language assistance is available, at no cost, in at least the top 15 language spoken by individuals with limited English proficiency of Maryland.

G. The Provider agrees to hold harmless, indemnify and defend the Department from all negligent or intentionally detrimental acts of the Provider, its agents and employees.

H. The Provider shall obtain the Department's written permission before employing an employee of the State of Maryland whose duties include matters relating to this Agreement.

I. The Provider will check the Federal List of Excluded Individuals/Entities on the Health and Human Services (HHS) Office of Inspector General (OIG) website prior to hiring or contracting with individuals or entities and periodically check the OIG website to determine the participation/exclusion status of current employees and contractors. To check the Federal System for Award Management (SAM) prior to hiring or contracting with individuals or entities and periodically check the SAM website to determine the participation/exclusion status of current employees and contractors. To check the Maryland Medicaid List of Excluded Providers and Entities prior to hiring or contracting with individuals or entities and periodically check the website to determine the participation/exclusion status of current employees and contractors. The Provider further agrees to not knowingly employ, or contract with a person, partnership,

company, corporation or any other entity or individual that has been disqualified from providing or supplying services to Recipients.

J. The Provider agrees to accept the Department's payments as payment in full for covered Services rendered to a Recipient. The Provider agrees not to bill, retain, or accept any additional payment from any Recipient. If the Department denies payment or requests payment from the Recipient, or if the Department denies payment or requests repayment because an otherwise covered Service was not medically necessary or was not preauthorized (if required), the Provider agrees not to seek payment from the Recipient for that Service. The Provider further agrees to immediately repay the Department in full for any claims where the Provider received payment from another party after being paid by the Department.

K. With the exception of prenatal care or preventive pediatric care, the Provider agrees to seek payment from a Recipient's other insurances and resources of payment before submitting claims to the Department. This obligation includes, but is not limited to, seeking payment from Medicare, private insurance, medical benefits provided by employers and unions, worker compensation, and any other third party insurance. If payment is made by both the Department and the Recipient's other insurance, the Provider shall refund the Department, within 60 days of receipt, the amount paid by the Department.

L. The Provider is responsible for the validity and accuracy of all claims submitted to the Department, whether submitted on paper, electronically or through a billing service.

M. The Provider agrees that all submitted claims shall be for medically necessary Services that were actually provided as described in the claim. The Provider acknowledges that the submission of false or fraudulent claims could result in criminal prosecution and civil and administrative sanctions. Possible sanctions include the Provider's expulsion from the Maryland Medical Assistance Program and/or referrals by the Department to the HHS OIG for expulsion from the Medicare program.

N. The Provider agrees that if she or he is a physician, he or she will, upon request, submit the name and applicable licensure for each physician extender in his or her employment. The Provider is responsible for knowing and complying with the Maryland Medical Assistance Program's definition of an eligible physician extender and for providing supervision as required by the Maryland Medical Assistance Program;

O. The Provider agrees to include on any claim the provider number of any individual provider rendering the service in addition to its own provider number.

P. The Provider agrees to disclose information in accordance with 42 CFR §§ 455.102 through 455.105.

Q. The Provider agrees that before the Department enters into or renews this Agreement, the Provider will report and disclose the identity of any person in accordance with 42 CFR §§ 455.102 through 455.104.

R. The Provider agrees to exhaust all administrative remedies prior to initiating any litigation against the Department.

S. Upon receipt of notification that the Provider is disqualified through any federal, state and/or Medicaid administrative action, the Provider agrees to not submit claims for payment to the Department for Services performed after the disqualification date.

T. The Provider agrees that any excessive payments to a Provider are overpayments that may be immediately deducted from future Department payments to any payee with the Provider's tax identification number, at the discretion of the Department. The Provider further acknowledges the Department's ability to audit payments received by the Provider, and that, if an audit reveals that the Provider has failed to comply with Department regulations, the Department may immediately recover as overpayments any excessive payments to which the Provider was not entitled. The Provider also understands that the Department may impose sanctions, including the withholding of payments, suspension or termination of participation in the Maryland Medical Assistance Program, for Provider's failure to comply with governing regulations.

U. The Provider understands that the continuation of this Agreement beyond the current term is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State legislature and/or federal sources. The Department may terminate this Agreement and the Provider waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the Department's funding from State and/or federal sources is not appropriated or is withdrawn, limited or impaired.

V. The Provider agrees to comply with the Deficit Reduction Act of 2005 (DRA) employee education requirement imposed upon any entity, including any governmental agency, organization, unit, corporation, partnership or other business arrangement (including any Medicaid MCO), whether for profit or not for profit, which receives annual Medicaid Payments of at least \$5,000,000.

W. The Provider agrees that it has authority to bind all staff and any individual rendering providers to this Agreement and that it will provide each member that is a Medicaid provider

with a copy of this Agreement. The Provider also agrees to provide the Department with names and proof of current licensure for each individual rendering provider who is not enrolled with Maryland Medicaid as well as the name(s) of individual (s) with authority to sign billings on behalf of the group. The Provider agrees to be jointly responsible with any staff or individual rendering provider for contractual or administrative sanctions or remedies including, but not limited to reimbursement, withholding, recovery, suspension, termination or exclusion on any claims submitted or payment received. Any false claims, statements or documents, concealment or omission of any material facts may be prosecuted under applicable federal or state laws.

X. The Provider agrees to notify the Department within five (5) working days of any of the following:

1. Any action which may result in the suspension, revocation, condition, limitation, qualification or other material restriction on a Provider's licenses, certifications, permits or staff privileges by any entity under which a Provider is authorized to provide Services including indictment, arrest, felony conviction or any criminal charge;
 2. Change in corporate entity, servicing locations, mailing address or addition to or removal of practitioners or any other information pertinent to the receipt of Department funds; or
 3. Change in ownership including full disclosure of the terms of the sales agreement.
- When there is a change in ownership this Agreement is automatically assigned to the new owner, and the new owner shall, as a condition of participation, assume liability, jointly and severally with the prior owner for any and all amounts that may be due, or become due to the Department, and such amounts may be withheld from the payment of claims submitted when determined. (NOTE: Section I.S.3 does not apply to Nursing Home Providers).

Y. The Provider agrees that any material breach or violation of any provision of the Agreement shall make the entire Agreement, at the Department's option, subject to cancellation.

Z. In the case of termination, the Provider shall notify Recipients at the time of termination and before rendering Services that the Provider is no longer a Maryland Medical Assistance Provider. Following termination of this Agreement, the Provider agrees to continue to retain records and reimburse the Maryland Medical Assistance Program for overpayments as described in this Agreement and as required by law, including but not limited to Maryland Health-General § 4-403.

II. THE DEPARTMENT'S OBLIGATIONS:

A. The Department agrees to reimburse the Provider for medically necessary Services provided to Recipients that are covered by the Maryland Medical Assistance Program at the time of service. Services will be reimbursed in accordance with all Program regulations and fee

schedules as reflected in the Code of Maryland Regulations or other rules, action transmittals or guidance issued by the Department.

B. The Department agrees to provide notice of changes in Program regulations through publication in the Maryland Register.

III. THE DEPARTMENT AND PROVIDER MUTUALLY AGREE:

A. That except as specifically provided otherwise in applicable law and regulations, either party may terminate this Agreement by giving thirty (30) days notice in writing to the other party.

B. That the effective date of this Agreement shall be the date the Provider is enrolled into the Department's Medicaid Management Information System. -This Agreement shall remain in effect until either party terminates the Agreement (as described in Section III A

C. That this Agreement is not transferable or assignable; and

D. That the Provider Enrollment Application submitted and signed by the Provider is incorporated by reference into this Agreement and is a part hereof as though fully set forth herein.

Provider Signature (No stamps)

Date

Provider Name (Type or Print)

Date

EXHIBIT C

DDA Addendum



MARYLAND
Department of Health

**Addendum for Participation in Maryland
Medical Assistance Program Application
FACILITY/ORGANIZATION**

PT 90 DDA

Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

For additional assistance on completing the addendum, please contact the responsible DDA Provider Services Regional Office team.

All providers are required to use the electronic Provider Revalidation and Enrollment Portal, or ePREP (eprep.health.maryland.gov) for enrollment, information updates, provider affiliations and revalidations.

Please fill out the information below and upload the completed addendum to the “Additional Information” section under “Practice Information” within the ePREP (eprep.health.maryland.gov) “Applications” tab, along with any additional documents requested within the addendum.

Provider Information

Tax ID:

Please visit health.maryland.gov/ePREP for more information about ePREP. If you have questions, please contact the Provider Enrollment Helpline at **1-844-4MD-PROV (1-844-463-7768) Monday – Friday from 7am – 7pm.**



Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

Please indicate the type of application you are completing and follow the instructions associated with the application type:

Select:	Description:	Instructions:
<input type="checkbox"/> DDA Approved Service MA Application	Enroll a direct-pay enabled MA number to bill for all DDA Approved community-based services provided by your agency.	<ul style="list-style-type: none"> Complete Table 1, indicating all of the DDA approved community-based services provided by your agency (any site-based services at your admin location will require a licensed site MA application)
<input type="checkbox"/> DDA Licensed Site MA Application	Enroll a direct-pay enabled MA number to bill for site-specific, licensed services. This application is for a single licensed site .	<ul style="list-style-type: none"> Complete Table 2, indicating only the services that are rendered at the site you are applying for
<input type="checkbox"/> Supplemental (Update)	Update an existing MA number	Depending on the type of MA enrollment you are making an update to: <ul style="list-style-type: none"> Complete Table 1, if you are making an update to a DDA Approved Service MA number OR Complete Table 2, if you are making an update to a DDA Licensed Site MA number OR Complete Table 1 and 2, if you are making an update to a DDA Provider (before 7/1/20) MA number
<input type="checkbox"/> Revalidation	Revalidate (renew) an existing MA number	Depending on the type of MA enrollment you are making an update to: <ul style="list-style-type: none"> Complete Table 1, if you are revalidating a DDA Approved Service MA number OR Complete Table 2, if you are revalidating a DDA Licensed Site MA number OR Complete Table 1 and 2, if you are making an update to a DDA Provider (before 7/1/20) MA number



Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

Please complete the appropriate table based on the type of application you are submitting and the instructions above. Please attach the required documentation with your addendum submission.

TABLE 1: DDA APPROVED COMMUNITY-BASED SERVICES

Service	Required Documentation	Service	Required Documentation
<input type="checkbox"/> DDA Approved Behavioral Supports (2G) <ul style="list-style-type: none"> ○ Behavioral Assessment ○ Behavioral Plan ○ Behavioral Consultation ○ Brief Support Implementation Services 	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Community Development Services (2H)	DDA Service Approval Letter
<input type="checkbox"/> DDA Approved Employment Services (2I) <ul style="list-style-type: none"> ○ Discovery ○ Job Development ○ Follow Along Supports ○ Ongoing Job Supports ○ Co-worker Employment Supports ○ Customized Self-Employment 	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Fiscal Management Agency (2K)	DDA Service Approval Letter
<input type="checkbox"/> DDA Approved Family Supports (2J) <ul style="list-style-type: none"> ○ Family and Peer Mentoring Supports ○ Family Caregiver Training and Empowerment ○ Participant Education, Training and Advocacy 	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Housing Supports (2L)	DDA Service Approval Letter
<input type="checkbox"/> DDA Approved Nursing (2M) <ul style="list-style-type: none"> ○ Nurse Health Case Management ○ Nurse Case Management and Delegation 	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Organized Health Care Delivery System (2N) <ul style="list-style-type: none"> ○ Assistive Technology and Services ○ Environmental Assessment ○ Environmental Modification ○ Live-in Caregiver Supports 	DDA Service Approval Letter, Signed Organized Health Care Delivery System Form



Addressing Participation in Maryland Medical Assistance Program Application FACILITY/ORGANIZATION

MARYLAND
Department of Health

PT 90 DDA

Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

		<ul style="list-style-type: none"> ○ Respite – 15 minutes (Hourly) ○ Respite Daily (CLGH SITES ONLY) ○ Respite Camp ○ Transportation ○ Transition Services ○ Vehicle Modification 	
<input type="checkbox"/> DDA Approved Personal Supports (2O)	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Respite Care Services (2P)	DDA Service Approval Letter
		<ul style="list-style-type: none"> ○ Respite Care 15-minutes (Hourly) ○ Camp 	
<input type="checkbox"/> DDA Approved Remote Support Services (2S)	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Supported Living (2R)	DDA Service Approval Letter
<input type="checkbox"/> DDA Approved Shared Living (2Q)	DDA Service Approval Letter	<input type="checkbox"/> DDA Approved Targeted Case Management Services (WA) (Coordination of Community Services)	DDA Service Approval Letter
<input type="checkbox"/> DDA Approved Vocational Services (2E)	DDA Service Approval Letter		
<ul style="list-style-type: none"> ○ Career Exploration – Large Group ○ Career Exploration – Small Group 			

Does your agency render services to individuals under the age of 21 (i.e. 20 years old and younger)? If yes, please submit required documentation.

Select:	Required Documentation
<input type="checkbox"/> Yes (2T)	Department (DDA and OHCQ) Approval to Render Services and Supports in DDA's Home and Community-Based Waivers - Children's Provider
<input type="checkbox"/> No	



Address for Participation in Maryland
Medical Assistance Program Application
FACILITY/ORGANIZATION

PT 90 DDA

Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

TABLE 2: DDA LICENSED SITE-BASED SERVICES

Service	Required Documentation	Service	Required Documentation
<input type="checkbox"/> Licensed DDA Community Living Services (2B) - formerly Residential Habilitation <ul style="list-style-type: none"> ○ Community Living - Group Home <input type="checkbox"/> Respite Care (Daily) (2U) <i>*Providers approved for Respite Daily AND CSW also need 2U COS Code</i>	DDA Service Approval Letter, OHCQ Issued DDA Facility License, OHCQ Site List	<input type="checkbox"/> Licensed DDA Community Living Enhanced Support Services (2A) - Community Living Enhanced <ul style="list-style-type: none"> ○ Supports 	DDA Service Approval Letter, OHCQ Issued DDA Facility License, OHCQ Site List
<input type="checkbox"/> Licensed DDA Day Habilitation (2C / 2D) <ul style="list-style-type: none"> ○ Day Habilitation 	DDA Service Approval Letter, OHCQ Issued DDA Facility License, OHCQ Site List	<input type="checkbox"/> Licensed DDA Vocational Services (2E / 2F) <ul style="list-style-type: none"> ○ Career Exploration – Facility Based 	DDA Service Approval Letter, OHCQ Issued DDA Facility License, OHCQ Site List

Are you authorized to provide services indicated above to individuals under the age of 21 (i.e. 20 years old and younger) at this site? If yes, please submit required documentation.

Select:	Required Documentation
<input type="checkbox"/> Yes (2T)	Department (DDA and OHCQ) Approval to Render Services and Supports in DDA's Home and Community-Based Waivers - Children's Provider
<input type="checkbox"/> No	



Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

Please include the following materials with your application:

- Full legal name, DOB and Contact Information for the Chair of the Board of Directors;
- Copy of tax ID number letter (IRS Letter);
- W-9 with address that matches Pay-To Address in application EXACTLY;
- DDA Service Approval Letter;
- OHCQ License, if applicable;
- OHCQ Site List, if applicable; and

General Conditions for Provider Participation

In addition to meeting all the requirements set forth in the Provider Agreement for Participation in Maryland Medical Assistance Program (the "Medicaid Provider Agreement"), each Provider must meet all of the following conditions to participate as a Provider in one of the Developmental Disabilities Administration's ("DDA") three Section 1915(c) Medicaid Home & Community Based Waiver Programs: Community Pathways Waiver, Family Supports Waiver, and Community Supports Waiver (each a "DDA Medicaid Waiver Program"). The terms "Services," "Recipient," "Department," and "Provider" have the same meaning here as in the Medicaid Provider Agreement.

Provider's initials: **(Initial each line)**

To participate as a provider, the Provider shall:

____ 1. Meet all of the conditions for participation as a Maryland Medical Assistance Program provider as set forth in COMAR 10.09.36, except as otherwise specified in COMAR 10.09.26 (Community Pathways Waiver), COMAR 10.09.48 (Targeted Case Management or Coordination of Community Services), and the federally-approved DDA Medicaid Waiver Program application.¹

____ 2. Meet all regulatory requirements to be licensed or approved as a DDA Provider set forth in COMAR Title 10, Subtitle 22, DDA Medicaid Waiver Program application requirements, and other

¹ You may access the Waiver application for the Community Pathways Waiver at:

https://health.maryland.gov/dda/Pages/Community_Pathways_Federally_Approved_Application_Amendments.aspx.

You may access the Waiver application for the Community Supports Waiver at:

https://health.maryland.gov/dda/Pages/Community_Supports_Waiver_Federally_Approved_Application_Amendments.aspx.

You may access the Waiver application for the Family Supports Waiver at:

https://health.maryland.gov/dda/Pages/Family_Supports_Waiver_Federally_Approved_Application_Amendments.aspx.



Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

DDA requirements. If the provider is also a DDA Approved Children’s Provider, the provider must meet the requirements set forth in COMAR 14.31.05, COMAR 14.31.06, and COMAR 14.31.07.

____3. Agree to verify the qualifications of all individuals who render services on the Provider’s behalf and provide a copy of its verifications upon request to the Department. Qualifications include, but are not limited to, any applicable licensure or certification requirements, criminal background checks, and other staff / provider requirements set forth in the federally-approved DDA Medicaid Waiver Program application administered by the DDA, applicable regulations, or Department or DDA policies.

____4. Agree to comply with the DDA’s Policy on Reportable Incidents and Investigations (“PORII”), incorporated by reference at COMAR 10.22.02.01, including reporting incidents and complaints using the form and process designated by DDA.

____5. Agree to cooperate with required inspections, reviews, and audits by authorized governmental representatives, including but not limited to DDA, the Department’s Office of Health Care Quality, the Office of the Inspector General, Medicaid Program, and the Medicaid Fraud Control Unit, in accordance with § 7-909 of the Health-General Article of the Maryland Annotated Code and other applicable law and regulations.

____6. Agree to provide Services in accordance with the DDA Medicaid Waiver Program application requirements and applicable regulations and to bill the Department in accordance with applicable law, regulations, policies, and procedures, including limiting billing to only Services that have been authorized by DDA and actually rendered by the Provider to the Recipient.

____7. Agree to suspend, terminate, or reduce services for a Recipient in accordance with DDA policy and with appropriate authorization from DDA and consultation from the Recipient or the Recipient’s representative(s).

____8. Agree to work with the Recipient, or the Recipient’s representative(s), and their Coordinator of Community Services to implement the person-center plan and assist with transitioning a Recipient to new services and / or a new Provider as applicable.

____9. Agree to demonstrate substantial, sustained compliance in accordance with a Plan of Correction after a cited deficiency.



**Address for Participation in Maryland
Medical Assistance Program Application
FACILITY/ORGANIZATION**

MARYLAND
Department of Health

PT 90 DDA

Additional documentation may be required to enroll as this provider type.

To obtain additional application materials, or if you have any questions, please contact the responsible DDA Provider Services Regional Team.

PROVIDER APPLICANT'S SIGNATURE OF AGREEMENT OF GENERAL CONDITIONS FOR PROVIDER PARTICIPATION.

Signature

Date

EXHIBIT D

Electronic Signature Confirmation

← Account ID: 100207255 (/ProviderPortal/accounts/mine.do?nth=he&prId=40825&accountId=3924983&openApp=true)



Provider Name The Arc Montgomery County, Inc.
Provider Type DDA Services Provider
Application ID 257UC5P0
Creation Date 07/28/2025
Package Type Revalidation
MA Number: 907728638

100% Complete



100% Documents



Content

⌵ Expand All

Getting Started



 Business Information



 Practice Information



 Disclosure Information



 Signature




Summary



Here's a summary of the information you gave me.

Please review it to make sure everything's correct before moving on to submit your application.

If you need to make changes to a section, select the **Edit** button.

 Summary: E-Signature

Declarations

If you see  icon in this section, please select **Edit** to either make sure each declaration was selected or verify that you viewed the Maryland Medicaid Provider Agreement.

I, **Daria Cervantes**, have read, understood, and agree with the terms of the Maryland Medicaid Provider Agreement.

I, **Daria Cervantes**, declare that I have legal authorization to sign this application for and on behalf of **THE ARC MONTGOMERY COUNTY, INC..**

I, **Daria Cervantes**, have reviewed my application and believe all information and attachments are correct to the best of my knowledge.



I, **Daria Cervantes**, declare under penalty of perjury under the laws of Maryland that the foregoing information and the information on all attachments is true, accurate and complete, to the best of my knowledge and belief, and that I am authorized to sign this application pursuant to State Regulations.

E-Signature

I, **Daria Cervantes**, agree that my electronic signature is attributable as defined in Commercial Law Article § 21-208.

SSN (last 4 digits)

###-##-***7

Year of birth

##/##/***7

Email address

dariac@arcmontmd.org

Password

Verified

