Maryland
DEPARTMENT OF HEALTH

Wes Moore, Governor · Aruna Miller, Lt. Governor · Laura Herrera Scott, M.D., M.P.H., Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM
MCO Transmittal No. 225
October 3, 2024

TO: Managed Care Organizations

FROM: Sandy Kick, Director
Office of Medical Benefits Management

RE: Clarification of HealthChoice MCO Timelines for Pharmacy Preauthorization Decisions

NOTE: Please ensure that the appropriate staff members in your organization are informed of the content of this transmittal.

This transmittal clarifies that HealthChoice managed care organizations (MCOs) must issue a preauthorization decision for covered outpatient drugs within twenty-four (24) hours of the preauthorization request. This transmittal should be read in conjunction with PT 34-23 Clarification of Timeframe Measurement for HealthChoice Enrollee Grievances, Appeals, and Authorizations.

Per Section 1927(d)(5)(A) of the Social Security Act, MCOs are required to issue and notify providers of decisions on covered outpatient drug preauthorization requests within twenty-four (24) hours of receipt of the request. A valid decision is either an approval or denial of drug coverage, or a request for additional information.

If an MCO's decision about a covered outpatient drug is to request additional information, the MCO may allow the provider up to 14 calendar days to submit information to make an authorization determination of either an approval or denial. This 14-calendar-day timeframe includes the original 24-hour decision timeframe. Delegated entities and subcontractors of the MCOs with utilization review responsibilities are also required to adhere to these timelines.

Any drugs that do not meet the federal definition of a covered outpatient drug are subject to the standard and expedited authorization decision timeframes described in COMAR 10.67.09.04.

For additional questions about this transmittal, please contact the Division of HealthChoice Quality Assurance at mdh.hcqa@maryland.gov.