



STATE OF MARYLAND

**DHMH**Office of Health Services  
Medical Care ProgramsMaryland Department of Health and Mental Hygiene  
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM****Managed Care Organization Transmittal No. 63****January 25, 2007****TO:** Managed Care Organizations**FROM:** Diane C. Herr, Director  
HealthChoice and Acute Care Administration  
Office of Health Services

**NOTE:** Please ensure that the appropriate staff members in your organization are informed of the contents of this transmittal.**RE:** Proposed Amendments to HealthChoice Regulations**WRITTEN COMMENTS TO:**Michelle Phinney  
201 W. Preston St., Rm. 538  
Baltimore, MD 21201  
Fax (410) 767-6483 or call  
(410) 767-6499 or  
1-877-4MD-DHMH extension 6483**PROGRAM CONTACT:**Amy Gentile, Chief  
Division of HealthChoice Management and  
Quality Assurance  
(410) 767-1482 or call  
1-877-4MD-DHMH extension 1482**COMMENT PERIOD EXPIRES: 2/20/2007**

The Maryland Medical Assistance Program is promulgating proposed amendments to COMAR 10.09.63 Maryland Medicaid Managed Care Program: Eligibility and Enrollment, COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations, COMAR 10.09.66 Maryland Medicaid Managed Care Program: Access and COMAR 10.09.67 Maryland Medicaid Managed Care Program: Benefits.

These amendments will:

(1) Add two new programs, Employed Person with Disabilities and Adult Primary Care, to the list of recipients not eligible for HealthChoice;

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- (2) Change language regarding effective date of disenrollment when a member relocates out of state to coincide with current operating procedures and clarify that the relocation must be permanent;
- (3) Allocate 25 percent of the Statewide supplemental payment to increase MCO quality performance measure incentives;
- (4) Add language requiring MCOs to participate in a monthly enrollment reconciliation process;
- (5) Add current dates and new rates for Statewide supplemental payments;
- (6) Add new zip codes to local access area chart;
- (7) Correct COMAR citation number under COMAR 10.09.67.22; and
- (8) Add emergency services to the list of self referred services.

**Please Note:** In the copy of the attached proposal, under COMAR 10.09.65, §03B(3)(iii) and (iv), it incorrectly states "a penalty of 1/19 of ½ percent of the total capitation amount paid to the MCO during that calendar year shall be collected." A change has been submitted to reflect submitted language of 1/9 of ½ percent.

A copy of the proposed amendments, as published in the January 19, 2007 issue of the Maryland Register, is attached.

Questions regarding these amendments should be directed to the Division of HealthChoice Management and Quality Assurance at (410) 767-1482.

attachment

**[F.] E.** The following services are covered under Regulations .22 — .29 of this chapter only for participants not residing in a licensed assisted living facility:

- (1) — (7) (text unchanged)
- (8) Assistive devices *and equipment*.

**[G.] F.** The following services are covered under this chapter regardless of the participant's place of residence:

- (1) (text unchanged)
- (2) Behavior consultation services; *and*
- (3) Senior Center Plus; *and*].
- [(4) Extended home health services.]

**[H.] G.** The Program may not reimburse the following combinations of services for a participant for the same date of service:

- (1) Senior Center Plus under this chapter and State Plan medical day care under COMAR 10.09.07; *or*
- (2) Personal care, respite care, or assisted living services under this chapter and State Plan personal care under COMAR 10.09.20; *or*].

[(3) Extended home health services under this chapter and State Plan home health services under COMAR 10.09.04.]

### **.33 Payment Procedures.**

#### **A. Request for Payment.**

(1) An approved provider shall submit requests for payment for [the] services [covered under this chapter] according to procedures set forth in *this chapter and COMAR 10.09.36.04.*

- (2) — (5) (text unchanged)
- (6) *Documentation Required.*

(a) *Payments by the Program or its designee may be withheld if the provider fails to submit requested evidence of staff qualifications, corrective action plans, or other types of documentation related to ensuring health and safety of participants.*

(b) *Payments shall be released upon receipt by the Program or its designee of the requested documentation.*

(c) *An appeal by the provider under COMAR 10.01.03 does not stay the withholding of payments.*

#### **B. (text unchanged)**

#### **C. Payments.**

- (1) — (3-1) (text unchanged)
- (4) *Assisted Living Services.*
- (a) — (b) (text unchanged)

(c) Payment for assisted living services shall be reduced by 25 percent per day for each day during the month that the participant receives medical day care services in accordance with COMAR 10.09.07 [on the same day].

- (d) (text unchanged)

#### **[(5) Environmental Modifications.**

(a) An assisted living services provider shall assume 1/3 of the approved cost of environmental modifications rendered to the provider's assisted living facility on behalf of one or more participants.

(b) If the environmental modifications were rendered on behalf of more than one participant, the amount billed shall be divided equally among invoices submitted on behalf of the impacted participants, to total not more than the total amount eligible for billing.

(c) The assisted living services provider shall directly pay its contractor for the environmental modifications rendered, based on a bid submitted by the contractor that was approved by the plan of care and the Maryland Department of Aging.

(6) *Assistive Equipment.* The assisted living services provider shall:

(a) Pay directly the actual seller of an item of assistive equipment purchased for the use of one or more participants;

(b) Bill the Program the actual purchase price for each item of assistive equipment, as preauthorized by the plan of care and the Maryland Department of Aging or its designee with the cost divided equally among invoices submitted for participants on whose behalf the item was purchased; *and*

(c) Submit to the Maryland Department of Aging or its designee documentation from the seller of the assistive equipment as to the actual purchase price.]

- [(7) (5) — [(17) (15) (text unchanged)

### **.34 Recovery and Reimbursement**

**A.** Recovery and reimbursement [is] are as set forth in COMAR 10.09.36.07.

**B.** *The causes for recovery and reimbursement include but are not limited to:*

- (1) *Operating without a valid required license;*
- (2) *Using staff that do not meet conditions for participation in accordance with Regulation .04 of this chapter to provide services to waiver participants;*
- (3) *Lacking adequate documentation of services that are billed to the Program;*
- (4) *Submitting claims for services not authorized in the participant's plan of care; and*
- (5) *Providing services that are not in accordance with the requirements of this chapter and other applicable regulations and law.*

S. ANTHONY McCANN  
Secretary of Health and Mental Hygiene

## **Subtitle 09 MEDICAL CARE PROGRAMS**

### **Notice of Proposed Action**

[07-021-P]

The Secretary of Health and Mental Hygiene proposes to amend:

- (1) Regulations .01 and .06 under COMAR 10.09.63 **Maryland Medicaid Managed Care Program: Eligibility and Enrollment;**
- (2) Regulations .03, .15 and .19-3 under COMAR 10.09.65 **Maryland Medicaid Managed Care Program: Managed Care Organizations;**
- (3) Regulation .06 under COMAR 10.09.66 **Maryland Medicaid Managed Care Program: Access; and**
- (4) Regulations .22 and .28 under COMAR 10.09.67 **Maryland Medicaid Managed Care Program: Benefits.**

#### **Statement of Purpose**

The purpose of this action is to:

- (1) Add two new programs, Employed Person with Disabilities and Adult Primary Care, to the list of recipients not eligible for HealthChoice;
- (2) Change language regarding effective date of disenrollment when a member relocates out-of-State to coincide with current operating procedures and clarify that the relocation must be permanent;
- (3) Allocate 25 percent of the Statewide supplemental payment to increase MCO quality performance measure incentives;
- (4) Add language requiring MCOs to participate in a monthly enrollment reconciliation process;

- (5) Add current dates and new rates for Statewide supplemental payments;
- (6) Add new zip codes to local access area chart;
- (7) Correct COMAR citation number under COMAR 10.09.67.22; and
- (8) Add emergency services to the list of self-referred services.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

The proposed action has no economic impact.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Michele Phinney, Director, Office of Regulations and Policy Coordination, DHMH, 201 W. Preston St., Room 512, Baltimore, MD 21201, or call 410-767-5623, or fax to 410-333-7687, or email to regs@dhhm.state.md.us. Comments will be accepted through February 20, 2007. A public hearing has not been scheduled.

**10.09.63 Maryland Medicaid Managed Care Program: Eligibility and Enrollment**

Authority: Health-General Article, §15-103(b)(3), (4), (6), and (23), Annotated Code of Maryland

**.01 Eligibility.**

- A. (text unchanged)
- B. A recipient is not eligible for the Maryland Medicaid Managed Care Program if the recipient:
  - (1) — (2) (text unchanged)
  - (3) Is enrolled in:
    - (a) Home Care for Disabled Children under a Model Waiver, pursuant to COMAR 10.09.27; [or]
    - (b) (text unchanged)
    - (c) *The Employed Person with Disabilities Program pursuant to COMAR 10.09.41; or*
    - (d) *The Primary Adult Care (PAC) Program pursuant to COMAR 10.09.76;*
  - (4) — (7) (text unchanged)

**.06 Disenrollment.**

- A. — E. (text unchanged)
- F. Effective Date of Disenrollment.
  - (1) (text unchanged)
  - (2) An enrollee's disenrollment shall take effect:
    - (a) — (b) (text unchanged)
    - (c) [Immediately] *On the first day of the month following the month in which the Department receives the required notification, when the enrollee permanently relocates outside of the State; or*
    - (d) (text unchanged)
  - (3) — (6) (text unchanged)

**10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations**

Authority: Insurance Article, §§15-112 and 15-605; Health-General Article, §§2-104 and 15-103; Annotated Code of Maryland

**.03 Quality Assessment and Improvement.**

- A. (text unchanged)
- B. An MCO shall participate in all quality assessment activities required by the Department in order to determine if the MCO is providing medically necessary enrollee health care. These activities include, but are not limited to:
  - (1) — (2) (unchanged)
  - (3) The annual collection and evaluation of a set of performance measures with targets as determined by the Department as follows:
    - (a) The composition of the core performance measures is listed below:
      - (i) — (viii) (text unchanged)
      - (ix) Childhood immunization status — Combo 2;

and

- [(x) Practitioner turnover; and]
- [(xi) (x) (text unchanged)]
- (b) — (d) (text unchanged)
- [(e) For 2005 care performance measures, as specified in §B(3)(a)(i) — (ix) of this regulation, the Department shall impose penalties, rewards, disincentives, or incentives, based on performance targets as determined by the Department utilizing the following methodology:
  - (i) There shall be three levels of performance;
  - (ii) Performance shall be evaluated separately for each measure, and the measures shall have equal weight;
  - (iii) If an MCO's scores on the measures identified in §B(3)(a)(i) — (ix) of this regulation do not meet the minimum target level, the MCO shall receive a monetary sanction as set by the Department proportionate to the size of the MCO and the number of points below the target;
  - (iv) If an MCO's scores on the measures identified in §B(3)(a)(i) — (ix) of this regulation are above the incentive target level, the MCO shall receive a monetary incentive as set by the Department proportionate to the size of the MCO and the number of points above the target;
  - (v) The point range between the minimum target and the incentive target shall be considered the neutral range and the MCO may not be penalized or rewarded if its performance falls in this range; and
  - (vi) The monetary incentives paid to the MCOs as described in §B(3)(e)(iv) of this regulation shall not exceed the total amount of the penalties described in §B(e)(iii) of this regulation that are collected from the MCOs;
- [(f) (e) Effective January 1, 2006, the performance measures will be the [11] 10 measures as stated in §B(3)(a) of this regulation;
- [(g) (f) Starting with the 2006 performance measures, the Department shall implement the following methodology for imposing penalties and incentives:
  - (i) — (iv) (text unchanged)
  - (v) The total amount of the incentive payments as described in [§B(3)(g)(ii)] §B(3)(f)(iv) of this regulation paid to the MCOs each year cannot exceed the total amount of the penalties as described in [§B(3)(g)(iii)] §B(3)(f)(iii) of this regulation collected from the MCOs in that same year; [and]
  - (g) *Starting with the 2007 performance measures, the Department shall implement the following methodology for imposing penalties and incentives:*

(i) There shall be three levels of performance;  
 (ii) Performance shall be evaluated separately for each measure, and each measure shall have equal weight;  
 (iii) For any of the measures in §B(3)(a)(i) — (ix) of this regulation that the MCO does not meet the minimum target, as determined by the Department, a penalty of  $1/19$  of  $1/2$  percent of the total capitation amount paid to the MCO during that calendar year shall be collected;

(iv) For any of the measures in §B(3)(a)(i) — (ix) of this regulation that the MCO exceeds the incentive target, as determined by the Department, the MCO shall be paid an incentive payment of up to  $1/19$  of  $1/2$  percent of the total capitation paid to the MCO during that calendar year;

(v) The total amount of the incentive payments as described in §B(3)(g)(iv) of this regulation paid to the MCOs each year may not exceed the total amount of the penalties as described in §B(3)(g)(iii) of this regulation collected from the MCOs in that same year plus 25 percent of the funds estimated by the Department for the Statewide Supplemental Payment for the same year; and

(vi) Any funds remaining after the payment of the incentives due under §B(3)(g)(iv) shall be distributed to the MCOs receiving the four highest normalized scores for Value Based Purchasing for all nine performance measures at a rate of 40 percent, 30 percent, 20 percent and 10 percent respectively.

(h) (text unchanged)

(4) — (6) (text unchanged)

C. (text unchanged)

#### .15 Data Collection and Reporting.

A. — B. (text unchanged)

C. Monthly Reports.

(1) — (3) (text unchanged)

(4) An MCO shall participate in the electronic enrollment reconciliation process to identify discrepancies in enrollment data between the Department and the MCO.

D. — K. (text unchanged)

#### .19-3 MCO Statewide and Rural Supplemental Payments.

A. Statewide Supplemental Payment.

(1) (text unchanged)

(2) MCOs are eligible to receive a Statewide supplemental payment or payments if the following conditions are met:

(a) For June [2006] 2007 payment:

(i) (text unchanged)

(ii) The qualifications set forth in §A(1) of this regulation were met from January 1 through June 30, [2006] 2007; and

(b) For December [2006] 2007 payments:

(i) (text unchanged)

(ii) The qualifications set forth in §A(1) of this regulation were met from July 1 through December 31, [2006] 2007.

(3) Amount of Statewide Supplemental Payments.

(a) The June [2006] 2007 payment to a qualifying MCO will equal the total number of that MCO's enrollees paid for in May [2006] 2007 prospectively for that MCO's June [2006] 2007 enrollment, multiplied by [\$5.11] \$3.94 per enrollee.

(b) The December [2006] 2007 payment to a qualifying MCO will equal the total number of that MCO's enrollees paid for in November [2006] 2007 prospectively for that MCO's December [2006] 2007 enrollment, multiplied by [\$5.11] \$3.94 per enrollee.

#### B. Supplemental Payment for Rural Enrollment.

(1) — (2) (text unchanged)

(3) Amount of Rural Enrollment Supplement Payment.

(a) For the June [2006] 2007 payments to MCOs meeting the requirements specified in §A of this regulation from January 1 through June 30, [2006] 2007, the Department shall pay an amount equal to the total number of that MCO's enrollees in counties specified in §B(4) of this regulation and paid for in May [2006] 2007 prospectively for that MCO's June [2006] 2007 enrollment, multiplied by [\$22.99] \$17.46 per enrollee.

(b) For the December [2006] 2007 payments to MCOs meeting the requirements specified in §A of this regulation from July 1 through December 31, [2006] 2007, the Department shall pay each qualifying MCO an amount equal to the total number of that MCO's enrollees in counties specified in §B(4) of this regulation and paid for in November [2006] 2007 prospectively for that MCO's December [2006] 2007 enrollment, multiplied by [\$22.99] \$17.46 per enrollee.

(4) (text unchanged)

C. The rates described in §§A and B of this regulation are exclusive of the Statewide supplemental funds referenced in COMAR 10.09.65.03B(g)(v).

#### 10.09.66 Maryland Medicaid Managed Care Program: Access

Authority: Health-General Article, §15-102.1(b)(10) and 15-103(b)  
 Annotated Code of Maryland

#### .06 Geographical Access.

A. — D. (text unchanged)

E. Geographical Access: Local Access Areas.

Local Access Area	Zip Codes
Allegany — Anne Arundel North (text unchanged)	
Anne Arundel	20711, 20733, 20751, 20764, 20765,
Arundel	20776, 20778, 20779, 21012, 21032,
South	21035, 21037, 21054, 21106, 21114,
	21140, 21146, 21401, 21402, 21403,
	21404, 21405, 21409
Baltimore City SE/Dundalk — Montgomery North (text unchanged)	
Montgomery - Silver Spring	20860, 20861, 20862, 20866, 20868, 20883, 20901, 20902, 20903, 20904, 20905, 20906, 20907, 20908, 20910, 20911, 20912, 20913, 20914, 20915, 20916, 20918, 20990
Prince George's Northeast (text unchanged)	
Prince George's Northwest	20703, 20706, 20710, 20712, 20722, 20731, 20737, 20738, 20740, 20741, 20742, 20743, 20768, 20770, 20771, 20780, 20781, 20782, 20783, 20784, 20785, 20787, 20788, 20789, 20791, 20792, 20797, 20799
Prince George's Southeast — Worcester (text unchanged)	

#### 10.09.67 Maryland Medicaid Managed Care Program: Benefits

Authority: Health-General Article, Title 15, Subtitle 1,  
 Annotated Code of Maryland

#### .22 Benefits — Case Management Services for HIV-Infected Individuals.

An MCO shall provide medically necessary and appropriate case management services to its qualifying enrollees, as specified in COMAR [10.09.65.10B] 10.09.65.10C.

**.28 Benefits — Self-Referral Services.**

An MCO shall be financially responsible for reimbursing, in accordance with COMAR 10.09.65.20, an out-of-plan provider chosen by the enrollee for the following services:

- A. — F. (text unchanged)
- G. Initial medical examination of a newborn when the:
  - (1) (text unchanged)
  - (2) MCO failed to provide for the service before the newborn's discharge from the hospital; [and]
- H. A comprehensive substance abuse assessment (CSAA), as described in COMAR 10.09.65.11, if the following conditions are met:
  - (1) — (2) (text unchanged)
  - (3) The assessment provider is an Alcohol and Drug Abuse Administration certified substance abuse provider[.]; and

I. *Emergency services as described in COMAR 10.09.66.08B.*

S. ANTHONY McCANN  
Secretary of Health and Mental Hygiene

**Subtitle 09 MEDICAL CARE PROGRAMS**

**10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations**

Authority: Health-General Article, §§2-104 and 15-103;  
Annotated Code of Maryland

**Notice of Proposed Action**  
[07-022-P]

The Secretary of Health and Mental Hygiene proposes to amend Regulation .19 under COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations.

**Statement of Purpose**

The purpose of this action is to implement the Managed Care Organizations (MCOs) rates for calendar year 2007.

**Comparison to Federal Standards**

There is no corresponding federal standard to this proposed action.

**Estimate of Economic Impact**

**I. Summary of Economic Impact.** Rate increase of \$97,402,000 for calendar year 2007 is due to trend changes for various service categories of medical services provided by the MCOs.

**II. Types of Economic Impact.**

Revenue (R+/R-)	
Expenditure (E+/E-)	Magnitude

(a) Rate Table for Families and Children  
Effective January 1, 2007 — December 31, 2007

Age	Gender	PMPM Baltimore City	PMPM Rest of State
Under age 1 Birth Weight 1,500 grams or less	Both	\$ 6,007.93	\$ 5,926.16
Under age 1 Birth Weight over 1,500 grams	Both	\$ 382.85	\$ 289.03

	(E+) NONE NONE	\$97,402,000
	Benefit (+) Cost (-)	Magnitude
A. On issuing agency:	(E+)	\$97,402,000
B. On other State agencies:	NONE	
C. On local governments:	NONE	
D. On regulated industries or trade groups:	(+)	\$97,402,000
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

**III. Assumptions.** (Identified by Impact Letter and Number from Section II.)

A. Rate increase of \$97,402,000 is due to trend changes for various categories of medical services provided by the MCOs. This is calculated by comparing the expected payments of \$1,873,104,000 in calendar year 2006 against the expected payments of \$1,970,506,000 in calendar year 2007.

D. There will be a positive impact on the MCOs due to the rate increase.

**Economic Impact on Small Businesses**

The proposed action has minimal or no economic impact on small businesses.

**Impact on Individuals with Disabilities**

The proposed action has no impact on individuals with disabilities.

**Opportunity for Public Comment**

Comments may be sent to Michele Phinney, Director, Office of Regulations and Policy Coordination, DHMH, 201 W. Preston St., Room 512, Baltimore, MD 21201, or call 410-767-5623, or fax to 410-333-7687, or email to regs@dhmh.state.md.us. Comments will be accepted through February 20, 2007. A public hearing has not been scheduled.

**.19 MCO Reimbursement.**

- A. (text unchanged)
  - B. Capitation Rate-Setting Methodology.
    - (1) — (3) (text unchanged)
    - (4) Except in the extent of adjustments required by §D of this regulation, or by Regulations .19-1 — .19-4 of this chapter, the Department shall make payments monthly at the rates specified in the following tables:
- [(a)] — [(c)] (tables proposed for repeal)