



Maryland 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. 75
March 26, 2009

TO: Managed Care Organizations

FROM: Susan J. Tucker, Executive Director
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 and PAC 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:

Patti McQuade, Chief
Division of HealthChoice Management and
Quality Assurance
(410) 767-1482 or call
1-877-4MD-DHMH extension 1482

COMMENT PERIOD EXPIRES: April 12, 2009

The Maryland Medical Assistance Program is promulgating proposed amendments to Regulation .19 under COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations; and Regulation .14 under COMAR 10.09.76 Primary Adult Care Program. The amendments will implement calendar year 2009 MCO's HealthChoice and PAC capitation rates.

A copy of the proposed amendments as published in the Maryland Register is attached.

Attachment.

Issue Date: March 13, 2009

Volume 36 • Issue 6 • Pages 455—508

Title 10
DEPARTMENT OF
HEALTH AND MENTAL HYGIENE

Subtitle 09 MEDICAL CARE PROGRAMS

Notice of Proposed Action

[09-109-P]

The Secretary of Health and Mental Hygiene proposes to amend:

- (1) Regulation .19 under **COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations**; and
- (2) Regulation .14 under **COMAR 10.09.76 Primary Adult Care Program**.

Statement of Purpose

The purpose of this action is to implement calendar year 2009 MCO's HealthChoice and PAC capitation rates.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. The total HealthChoice Capitation increase is \$46,360,405 for CY 2009. This represents HealthChoice capitation rate changes for CY 2009 due to the Health Services Cost Review Commission (HSCRC) final hospital rates for inpatient and outpatient services, physician and dental fee increases for various categories of medical services provided by the MCOs, and other cost and utilization changes. The total for the Primary Adult Care capitation rate for CY 2009 decreased by \$1,208,317 due to the rate adjustment. The total HealthChoice Cost increase for CY 2009 is \$45,152,088.

II. Types of Economic Impact.	Revenue (R+/R-) Expenditure (E+/E-)	Magnitude
A. On issuing agency:	(E-)	\$45,152,088
B. On other State agencies:	NONE	

C. On local governments:	NONE	
	Benefit (+)	Magnitude
	Cost (-)	
D. On regulated industries or trade groups:	(+)	\$45,152,088
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. The rate increase of \$46,360,405 is due to the HSCRC approved rates for inpatient and outpatient hospital services, physician and dental fee rate increase, and other cost and utilization changes. Also included is a PAC capitation rate decrease of \$1,208,317 for PAC rate adjustment. The total HealthChoice cost for CY 2009 is \$45,152,088.

D. There will be a positive impact on the HealthChoice 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 A. Phinney, Director, Office of Regulation and Policy Coordination, Department of Health and Mental Hygiene, 201 West Preston Street, Room 512, Baltimore, MD 21201, or call 410-767-6499, or email to regs@dhhm.state.md.us, or fax to 410-333-7687. Comments will be accepted through April 13, 2009. A public hearing has not been scheduled.

10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations

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

.19 MCO Reimbursement.

A. (text unchanged)

B. Capitation Rate-Setting Methodology.

(1)—(3) (text unchanged)

(4) Except to 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)] (proposed for repeal)

(a) Rate Table for Families and Children

Effective January 1, 2009—December 31, 2009

	Age	Gender	PMPM Baltimore City	PMPM Montgomery and Prince George's Counties	Rest of State
	Under age 1 Birth Weight 1500 grams or less	Both	\$7,655.62	\$6,614.00	\$6,748.98
	Under age 1 Birth Weight Over 1500 grams	Both	\$391.82	\$338.51	\$345.42
	1—5	Male	\$193.74	\$167.38	\$170.80
		Female	\$172.85	\$149.33	\$152.38
	6—14	Male	\$115.00	\$99.35	\$101.38
		Female	\$104.17	\$89.99	\$91.83
	15—20	Male	\$140.71	\$121.56	\$124.04
		Female	\$204.53	\$176.69	\$180.30
	21—44	Male	\$379.80	\$328.12	\$334.82
		Female	\$395.58	\$341.76	\$348.73
	45—64	Male	\$966.84	\$835.29	\$852.34
		Female	\$793.18	\$685.26	\$699.24
	ACG—adjusted cells ACG 100, 200, 300, 500, 600, 1100, 1600, 2000, 2400, 3400, 5100, 5110, 5200	RAC 1 Both	\$108.72	\$92.57	\$94.46
	ACG 400, 700, 900, 1000, 1200, 1300, 1710, 1711, 1712, 1800, 1900, 2100, 2200, 2300, 2800, 2900, 3000, 3100, 5310	RAC 2 Both	\$135.27	\$115.15	\$117.50

ACG 1720, 1721, 1722, 1731, 1732, 1730, 2500, 3200, 3300, 3500, 3800, 4210, 5230, 5339	RAC 3	Both	\$171.30	\$145.85	\$148.83
ACG 800, 1740, 1750, 2700, 3600, ACG 800, 1740, 1741, 1742, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 4	Both	\$261.92	\$223.00	\$227.55
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 5	Both	\$378.60	\$322.35	\$328.93
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 6	Both	\$606.58	\$516.46	\$527.00
ACG 4430, 4730, 4930, 5030, 5050	RAC 7	Both	\$825.04	\$702.45	\$716.79
ACG 4940, 5060	RAC 8	Both	\$1,178.49	\$1,003.40	\$1,023.88
ACG 5070	RAC 9	Both	\$1,809.54	\$1,540.70	\$1,572.14
SOBRA Mothers			\$732.36	\$632.72	\$645.63
Persons with HIV	ALL	Both	\$769.66	\$754.27	\$769.66

(b) Rate Table for Disabled Individuals

Effective January 1, 2009—December 31, 2009

	Age	Gender	PMPM Baltimore City	PMPM Montgomery and Prince George's Counties	Rest Of State
	Under Age 1	Both	\$3,142.87	\$3,080.01	\$3,142.87
	1—5	Male	\$1,031.62	\$1,010.99	\$1,031.62
		Female	\$1,151.04	\$1,128.02	\$1,151.04
	6—14	Male	\$220.07	\$215.67	\$220.07
		Female	\$221.16	\$216.74	\$221.16
	15—20	Male	\$235.51	\$230.80	\$235.51

		Female	\$335.36	\$328.65	\$335.36
	21—44	Male	\$1,248.56	\$1,078.69	\$1,100.70
	21—44	Female	\$1,263.99	\$1,092.01	\$1,114.30
	45—64	Male	\$1,715.55	\$1,482.13	\$1,512.38
	45—64	Female	\$1,627.19	\$1,405.80	\$1,434.49
ACG—adjusted cells ACG 100, 200, 300, 1100, 1300, 1400, 1500, 1600, 1710, 1711, 1712, 1720, 1721, 1722, 1730, 1731, 1732, 1900, 2400, 2600, 2900, 3400, 5100, 5110, 5200, 5310	RAC 10	Both	\$276.62	\$235.52	\$240.33
ACG 400, 500, 700, 900, 1000, 1200, 1740, 1741, 1742, 1750, 1751, 1752 1800, 2000, 2100, 2200, 2300, 2500, 2700, 2800, 3000, 3100, 3200, 3300, 3500, 3900, 4000, 4310, 5330	RAC 11	Both	\$389.20	\$331.38	\$338.14
ACG 600, 1760, 1761, 1762, 3600, 3700, 4100, 4320, 4410, 4710, 4810, 4820	RAC 12	Both	\$693.09	\$590.12	\$602.16
ACG 3800, 4210, 4220, 4330, 4420, 4720, 4910, 5320	RAC13	Both	\$745.28	\$634.55	\$647.50
ACG 800, 4430, 4510, 4610, 5040, 5340	RAC14	Both	\$1,031.99	\$878.67	\$896.60
ACG 1770, 1771, 1772, 4520, 4620, 4830, 4920, 5050	RAC15	Both	\$1,157.28	\$985.34	\$1,005.45
ACG 4730, 4930, 5010	RAC16	Both	\$1,408.44	\$1,199.19	\$1,223.66
ACG 4940, 5020, 5060	RAC17	Both	\$2,041.17	\$1,737.91	\$1,773.38
ACG 5030, 5070	RAC 18	Both	\$2,677.51	\$2,279.72	\$2,326.24
Persons with AIDS	All	Both	\$2,977.10	\$2,413.24	\$2,462.49
Persons with HIV	All	Both	\$1,649.56	\$1,616.57	\$1,649.56

(c) Rate Table for Supplemental Payment for Delivery/Newborn.

<i>Supplemental Payment Cells</i>	<i>Age/RAC</i>	<i>Gender</i>	<i>Baltimore City</i>	<i>Mont, PG Counties</i>	<i>Rest of State</i>
<i>Supplemental Payment Cells</i>					
<i>Delivery/Newborn—all births except live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$12,719.82</i>	<i>\$10,152.12</i>	<i>\$10,359.31</i>
<i>Delivery/Newborn—live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$78,685.42</i>	<i>\$69,375.41</i>	<i>\$70,791.23</i>

Effective January 1, 2009 - December 31, 2009

(d)—(g) (text unchanged)

(5) (text unchanged)

C.—D. (text unchanged)

10.09.76 Primary Adult Care Program

Authority: Health-General Article, §§15-101, 15-103, and 15-140, Annotated Code of Maryland

.14 Payments.

A. MCO Capitation. The Department shall pay an MCO a fixed monthly capitation rate for each of its PAC enrollees, at the rates specified in the following table, effective:

[(1) July 1, 2008 through July 31, 2008] *January 1, 2009— December 31, 2009:*

	Per Month Per Member
Age 19—44 Male	[\$90.84] \$79.88
Age 19—44 Female	[\$110.92] \$102.02
Age 45+ Male	[\$173.29] \$150.08
Age 45+ Female	[\$218.56] \$197.45

[(2) August 1, 2008 through December 31, 2008:

	Per Month Per Member

Age 19—44 Male	\$85.32
Age 19—44 Female	\$104.03
Age 45+ Male	\$162.22
Age 45+ Female	\$205.83]

B.—F. (text unchanged)

JOHN M. COLMERS
Secretary of Health and Mental Hygiene
