Department of Legislative Services

Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 1243 (Delegate Angel, *et al.*)
Health and Government Operations

Maryland Medical Assistance Program - Specialty Care - Prohibition on Authorization

This bill requires that the Department of Health and Mental Hygiene (DHMH), by December 1, 2016, adopt regulations (1) requiring the department to determine the date on which the eligibility of a Medicaid recipient ends; (2) requiring the department to include on an authorization for specialty care the date on which the eligibility of a Medicaid recipient ends; and (3) prohibiting the department from authorizing Medicaid specialty care beyond the date on which the eligibility of a Medicaid recipient ends.

The bill takes effect June 1, 2016.

Fiscal Summary

State Effect: DHMH can adopt the regulations using existing budgeted resources. Medicaid expenditures (60% federal funds, 40% general funds) increase beginning in FY 2017 for administrative costs. Federal fund revenues increase correspondingly.

Local Effect: None.

Small Business Effect: None.

Analysis

Current Law/Background: Generally, Medicaid enrollees are redetermined as to their continued eligibility for Medicaid benefits every 12 months. If circumstances such as household income change, an individual must report such changes and may lose his or her eligibility. DHMH advises that more than 60% of Medicaid recipients receive an automatic

renewal of eligibility on the date of their redetermination. An additional number of recipients renew their Medicaid eligibility within 90 days of the date on which their coverage ended.

An eligibility verification system (EVS) is available to providers (via telephone or a web-based application) to allow verification of an individual's current Medicaid eligibility. According to DHMH, a provider must use EVS prior to rendering a service in order to ensure a recipient is eligible for a specific date of service. The date on which the eligibility of a Medicaid recipient ends is not printed on the recipient's Medicaid card, nor is it available through EVS. DHMH advises that the department is currently working to add redetermination dates to EVS.

An authorization for specialty services is typically for a certain number of visits based on the individual's need for services. Authorizations are not based on and do not reflect the date on which the eligibility of the Medicaid recipient ends.

State Fiscal Effect: Under the bill, DHMH would be required to print the date on which the eligibility of a Medicaid recipient ends on an authorization for specialty care. DHMH advises that this increases administrative costs; thus, Medicaid expenditures (60% federal funds, 40% general funds) increase beginning in fiscal 2017 to comply with this requirement. Federal matching fund revenues increase accordingly. Likewise, the prohibition against authorizing specialty care beyond the date on which eligibility ends may result in recipients needing another authorization for such services.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Health and Mental Hygiene, Department of Legislative Services

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kb/ljm

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