

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	03/07/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 4/18/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

10 09 65 19

10 09 76 01—.18

3. Name of Promulgating Authority

Department of Health and Mental Hygiene

4. Name of Regulations Coordinator

Michele Phinney

Telephone Number

410-767-5623

Mailing Address

201 W. Preston Street

City State Zip Code
Baltimore MD 21201

Email

michele.phinney@maryland.gov

5. Name of Person to Call About this Document

Michael Cimmino

Telephone No.

410-767-0579

Email Address

michael.cimmino@maryland.gov

6. Check applicable items:

New Regulations
 Amendments to Existing Regulations
Date when existing text was downloaded from COMAR online: February 3, 2014.
 Repeal of Existing Regulations
 Recodification
 Incorporation by Reference of Documents Requiring DSD Approval
 Reproposal of Substantively Different Text:
: Md. R
(vol.) (issue) (page nos) (date)
Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by David Lapp, Assistant Attorney General, (telephone #410-767-5292) on February 25, 2014. A written copy of the approval is on file at this agency.

Name of Authorized Officer

Joshua M. Sharfstein, M.D.

Title

Secretary

Telephone No.

410-767-6500

Date

March 7, 2014

Title 10
DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 09 MEDICAL CARE PROGRAMS

10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations

Subtitle 09 MEDICAL CARE PROGRAMS

10.09.76 Primary Adult Care Program

Authority: For COMAR 10.09.65: Insurance Article, §15-112, 15-605, and 15-1008; Health-General Article, §2-104, 15-102.3, and 15-103; Annotated Code of Maryland and For COMAR 10.09.76: Health-General Article, §§15-101 and 15-103, Annotated Code of Maryland

Notice of Proposed Action

[]

The Secretary of Health and Mental Hygiene proposes to :

- 1) Amend Regulation .19 under COMAR 10.09.65 Maryland Medicaid Managed Care Program: Managed Care Organizations; and
- 2) Repeal in its entirety Regulations .01—.18 under COMAR 10.09.76 Primary Adult Care Program.

Statement of Purpose

The purpose of this action is to implement the calendar year 2014 MCO's HealthChoice rates and to repeal the regulation concerning the Primary Adult Care Program as the program ended December 31, 2013.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

The net economic impact of the HealthChoice CY 2014 MCO rates represents a 5.8 percent increase totaling \$179,549,000. The increase includes the federally funded increase for primary care physicians which was effective January 2013, as well as an additional population formerly known as Primary Adult Care (PAC). The increase also includes a new 2 percent Affordable Care Act premium tax.

II. Types of Economic Impact.

Revenue (R+/R-)

Expenditure (E+/E-)

Magnitude

A. On issuing agency:	(E+)	\$179,549,000
B. On other State agencies:	NONE	
C. On local governments:	NONE	

	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	(+)	\$179,549,000
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. The rate increase is calculated by an actuarial consultant and Hilltop using data from CMS, other States, HSCRC and MCO data.

D. There will be a positive impact on the MCOs due to the overall 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; TTY:800-735-2258, or email to dhmh.regs@maryland.gov, or fax to 410-767-6483. Comments will be accepted through May 19, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2014

B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

50 percent federal, 50% State

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

This proposal affects HealthChoice MCOs which are not small businesses.

G. Small Business Worksheet:

Attached Document:

Title 10
DEPARTMENT OF HEALTH AND MENTAL
HYGIENE
Subtitle 09 MEDICAL CARE PROGRAMS
10.09.65 Maryland Medicaid Managed Care Program: Managed Care

Organizations

Authority: Insurance Article, §15-112, 15-605, and 15-1008; Health-General Article, §2-104, 15-102.3, and 15-103; Annotated Code of Maryland

10.09.65.19 (2/3/14)

.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, 2014 — December 31, 2014

	<i>Age/RAC</i>	<i>Gender</i>	<i>PMPM Baltimore City</i>	<i>PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's and Washington Counties</i>	<i>PMPM Rest Of State</i>
	<i>Under age 1 Birth Weight 1500 grams or less</i>	<i>Both</i>	<i>\$9,283.31</i>	<i>\$7,848.80</i>	<i>\$8,338.33</i>
	<i>Under age 1 Birth Weight over 1500 grams</i>	<i>Both</i>	<i>\$449.49</i>	<i>\$380.03</i>	<i>\$403.74</i>
	<i>1-5</i>	<i>Male</i>	<i>\$227.43</i>	<i>\$192.28</i>	<i>\$204.28</i>

		<i>Female</i>	<i>\$188.51</i>	<i>\$159.38</i>	<i>\$169.32</i>
	<i>6-14</i>	<i>Male</i>	<i>\$112.86</i>	<i>\$95.42</i>	<i>\$101.38</i>
		<i>Female</i>	<i>\$106.88</i>	<i>\$90.36</i>	<i>\$96.00</i>
	<i>15-20</i>	<i>Male</i>	<i>\$138.25</i>	<i>\$116.88</i>	<i>\$124.17</i>
		<i>Female</i>	<i>\$190.55</i>	<i>\$161.11</i>	<i>\$171.16</i>
	<i>21-44</i>	<i>Male</i>	<i>\$311.54</i>	<i>\$243.19</i>	<i>\$284.87</i>
		<i>Female</i>	<i>\$467.98</i>	<i>\$365.31</i>	<i>\$427.93</i>
	<i>45-64</i>	<i>Male</i>	<i>\$601.78</i>	<i>\$469.75</i>	<i>\$550.27</i>
		<i>Female</i>	<i>\$663.83</i>	<i>\$518.19</i>	<i>\$607.01</i>
<i>ACG—adjusted cells</i>					
<i>ACG 100, 200, 300, 400, 500, 600, 700, 900, 1000, 1100, 1200, 1300, 1600, 1710, 1711, 1712, 1720, 1721, 1722, 1730, 1731, 1732, 1800, 1900, 2000, 2100, 2200, 2300, 2400, 2500, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, 3800, 4210, 5100, 5110, 5200 5230, 5310, 5339</i>	<i>RAC 1F</i>	<i>Both</i>	<i>\$233.89</i>	<i>\$182.57</i>	<i>\$213.87</i>
<i>ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340</i>	<i>RAC 2F</i>	<i>Both</i>	<i>\$401.52</i>	<i>\$ 313.43</i>	<i>\$ 367.15</i>
<i>ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820</i>	<i>RAC 3F</i>	<i>Both</i>	<i>\$480.99</i>	<i>\$375.46</i>	<i>\$439.82</i>
<i>ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040</i>	<i>RAC 4F</i>	<i>Both</i>	<i>\$670.69</i>	<i>\$523.54</i>	<i>\$613.28</i>

ACG 4430, 4730, 4930, 5030, 5050	RAC 5F	Both	\$937.98	\$732.19	\$857.69
ACG 4940, 5060	RAC 6F	Both	\$1,181.31	\$922.13	\$1,080.20
ACG 5070	RAC 7F	Both	\$1,703.54	\$1,329.79	\$1,557.73
ACG 100, 200, 300, 500, 600, 1100, 1600, 2000, 2400, 3400, 5100, 5110, 5200	RAC 1G	Both	\$97.56	\$ 82.48	\$ 87.63
ACG 400, 700, 900, 1000, 1200, 1300, 1710, 1711, 1712, 1800, 1900, 2100, 2200, 2300, 2800, 2900, 3000, 3100, 5310	RAC 2G	Both	\$128.60	\$108.72	\$115.51
ACG 1720, 1721, 1722, 1731, 1732, 1730, 2500, 3200, 3300, 3500, 3800, 4210, 5230, 5339	RAC 3G	Both	\$159.20	\$134.60	\$143.00
ACG 800, 1740, 1741, 1742, 1750, 2700, 3600, 1750, 1751, 1752, 2700, 3600, 3700, 3900, 4000, 4100, 4220, 4310, 4410, 4510, 4610, 4710, 4720, 4810, 5340	RAC 4G	Both	\$224.67	\$189.95	\$201.80
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 5G	Both	\$298.76	\$252.60	\$268.35
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 6G	Both	\$385.17	\$325.65	\$345.96

ACG 4430, 4730, 4930, 4940, 5030, 5050, 5060, 5070	RAC 7G	Both	\$816.34	\$690.20	\$733.25
SOBRA Mothers			\$804.99	\$628.38	\$736.09
Persons with HIV	ALL	Both	\$632.79	\$632.79	\$632.79

(b) Rate Table for Disabled Individuals
Effective January 1, 2014—December 31, 2014

	Age/RAC	Gender	PMPM Baltimore City	PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's and Washington Counties	PMPM Rest Of State
	Under Age 1	Both	\$5,348.49	\$5,348.49	\$5,348.49
	1-5	Male	\$1,001.96	\$1,001.96	\$1,001.96
		Female	\$1,174.73	\$1,174.73	\$1,174.73
	6-14	Male	\$250.95	\$250.95	\$250.95
		Female	\$414.62	\$414.62	\$414.62
	15-20	Male	\$240.66	\$240.66	\$240.66
		Female	\$387.33	\$387.33	\$387.33
	21-44	Male	\$1,312.53	\$1,030.76	\$1,074.50
	21-44	Female	\$1,274.69	\$1,001.04	\$1,043.52
	45-64	Male	\$2,052.17	\$1,611.61	\$1,680.00
	45-64	Female	\$2,119.13	\$1,664.19	\$1,734.82
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	\$302.08	\$237.23	\$247.30
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,	RAC 11	Both	\$364.45	\$286.21	\$298.35

5330					
ACG 600, 1760, 1761, 1762, 3600, 3700, 4100, 4320, 4410, 4710, 4810, 4820	RAC 12	Both	\$687.15	\$539.63	\$562.53
ACG 3800, 4210, 4220, 4330, 4420, 4720, 4910, 5320	RAC13	Both	\$773.79	\$607.67	\$633.46
ACG 800, 4430, 4510, 4610, 5040, 5340	RAC14	Both	\$988.18	\$776.04	\$808.97
ACG 1770, 1771, 1772, 4520, 4620, 4830, 4920, 5050	RAC15	Both	\$1,383.14	\$1,086.20	\$1,132.30
ACG 4730, 4930, 5010	RAC16	Both	\$1,502.52	\$1,179.96	\$1,230.03
ACG 4940, 5020, 5060	RAC17	Both	\$2,013.67	\$1,581.37	\$1,648.48
ACG 5030, 5070	RAC 18	Both	\$3,402.74	\$2,672.24	\$2,785.64
Persons with AIDS	All	Both	\$2,479.45	\$1,615.04	\$1,615.04
Persons with HIV	All	Both	\$1,783.16	\$1,783.16	\$1,783.16

(c) Rate Table for Supplemental Payment for Delivery/Newborn. Effective January 1, 2014—December 31, 2014

	Age	Gender	Baltimore City	PMPM Allegany, Frederick, Garrett, Montgomery, Prince George's and Washington Counties	Rest of State
<i>Supplemental Payment Cells</i>					
Delivery/Newborn-all births except live birth weight 1,500 grams or less	All	Both	\$13,905.99	\$10,723.41	\$11,679.32
Delivery/Newborn-live birth weight 1,500 grams or less	All	Both	\$77,554.69	\$77,554.69	\$77,554.69
Delivery/Newborn by same enrollee-subsequent live birth weight 1,500 grams or less	All	Both	\$13,905.99	\$10,723.41	\$11,679.32

(d) Rate Table for Expansion Population Effective January 1, 2014—December 31, 2014

	<i>PMPM Baltimore City</i>	<i>PMPM Rest of State</i>
<i>Under 45 Male</i>	\$484.58	\$443.10
<i>Under 45 Female</i>	\$604.92	\$553.14
<i>45-64 Male</i>	\$838.34	\$766.58
<i>45-64 Female</i>	1,007.35	921.12

[(d)] (e)—[(g)] (h) (text unchanged)

(5) (text unchanged)

C.—D. (text unchanged).

Joshua M.Sharfstein, MD

Secretary of Health and Mental Hygiene