

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Department of Health and Mental Hygiene
(DLS Control No. 14-235)**

Overview and Legal and Fiscal Impact

The proposed change to the regulation incorporates by reference the January 2014 revision to the Maryland Medical Assistance Program Physicians' Services Provider Fee Manual.

The proposed change to the regulation presents no potential legal issues of concern.

Medicaid expenditures decrease in fiscal 2015 due to a reduction in fee-for-service reimbursement rates for physicians.

Regulation of COMAR Affected

Department of Health and Mental Hygiene:

Medical Care Programs: Physicians' Services: COMAR 10.09.02.07

Legal Analysis

Summary of Regulation

COMAR 10.09.02.07D is amended to incorporate by reference the January 2014 revision to the Maryland Medical Assistance Program Physicians' Services Provider Fee Manual. The revisions are found in the document entitled "Maryland Medical Assistance Program – Physicians' Services Provider Fee Manual, Revision 2014, Effective January – December 2014."

Legal Issue

The proposed change to the regulation presents no potential legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Health and Mental Hygiene cites §§ 2-104(b), 15-103, and 15-105 of the Health – General Article as legal authority for the regulation. Section 2-104(b) gives the Secretary of Health and Mental Hygiene authority to adopt rules and regulations to carry out the provisions of law with the jurisdiction of the Secretary. Section 15-103 establishes the Maryland Medical Assistance Program, and requires the Secretary to administer the program, including adopting regulations. Section 15-105(b) requires the department to adopt rules and regulations for the reimbursement of providers for services under the Medicaid program.

The statutory authority is correct and complete. The regulation complies with the legislative intent of the law.

Fiscal Analysis

Medicaid expenditures decrease in fiscal 2015 due to a reduction in fee-for-service reimbursement rates for physicians.

Agency Estimate of Projected Fiscal Impact

The department advises that Medicaid expenditures decrease by a total of \$2.4 million (50% general funds/50% federal funds) in fiscal 2015 due to a reduction in fee-for-service reimbursement rates for physicians. This reflects a reduction in the federal Medicare physician reimbursement schedule that took effect January 1, 2014. The Department of Legislative Services concurs.

Impact on Budget

Medicaid expenditures decrease in fiscal 2015 due to a reduction in fee-for-service physician reimbursement rates. The department characterizes the anticipated \$2.4 million in savings as minimal, given that physician reimbursement expenditures in fiscal 2014 were approximately \$100 million.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

Contact Information

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