

MARYLAND REGISTER

**Proposed Action on Regulations**

<b>Transmittal Sheet</b>  <b>PROPOSED OR REPROPOSED</b>  <b>Actions on Regulations</b>	<b>Date Filed with AELR Committee</b>	<b>TO BE COMPLETED BY DSD</b>
	07/14/2015	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

**1. Desired date of publication in Maryland Register: 8/21/2015**

**2. COMAR Codification**

**Title Subtitle Chapter Regulation**

10 09 65 19 and .19-3

**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 17, 2015.

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 May 26, 2015. A written copy of the approval is on file at this agency.

**Name of Authorized Officer**

Van T. Mitchell

**Title**

Secretary

**Telephone No.**

410-767-6500

**Date**

July 13, 2015

**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

**Notice of Proposed Action**

[]

The Secretary of Health and Mental Hygiene proposes to amend Regulations .19 and .19-3 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 calendar year 2015 HealthChoice MCO's rates, clarify how interim rate adjustments are calculated, and update the rural access incentive amount.

**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 2015 MCO rate adjustment is a decrease of \$32,470,660 or 11.7 percent. This decrease includes a 4.1 percent substance use disorder (SUD) carve out from MCOs and the overall impact of an observed medical trend reduction. Additionally, the childless adult population within HealthChoice was moved down in the rate range to reflect observed lower costs for this new population. The impact also includes an \$10 million increase for the CY 2015 Rural Access incentive.

**II. Types of Economic Impact.**

	Revenue (R+/R-)	
	Expenditure (E+/E-)	Magnitude
A. On issuing agency:	(E-)	\$32,470,660

- B. On other State agencies: NONE  
 C. On local governments: NONE

Benefit (+)	Magnitude
Cost (-)	

---

- |   |              |
|---|--------------|
| D. On regulated industries or trade groups: (-) | \$32,470,660 |
| 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. There is a 7.6% decrease to the Department and a 4.1 percent shift of the SUD services to fee for service. Overall decrease of 11.7 percent in MCO expenditures.

D. There is an overall 11.7 percent decrease to the MCOs revenue.

**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 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](mailto:dhmh.regs@maryland.gov), or fax to 410-767-6483. Comments will be accepted through September 21, 2015. A public hearing has not been scheduled.

**Economic Impact Statement Part C**

- A. Fiscal Year in which regulations will become effective: FY 2016
- 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.

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 (2/17/15)

##### **.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)—(d)] (proposed for repeal)

(a) *Rate Table for Families and Children*

*Effective January 1, 2015 — December 31, 2015*

	<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>\$8,006.05</i>	<i>\$6,748.87</i>	<i>\$7,054.48</i>
	<i>Under age 1 Birth Weight over 1500 grams</i>	<i>Both</i>	<i>\$436.61</i>	<i>\$368.05</i>	<i>\$384.72</i>

	1-5	Male	\$216.20	\$182.25	\$190.51
		Female	\$172.02	\$145.01	\$151.58
	6-14	Male	\$101.64	\$85.68	\$89.56
		Female	\$100.55	\$84.76	\$88.60
	15-20	Male	\$113.75	\$95.89	\$100.23
		Female	\$183.21	\$154.44	\$161.43
	21-44	Male	\$243.29	\$186.65	\$213.66
		Female	\$371.11	\$284.71	\$325.91
	45-64	Male	\$538.05	\$412.79	\$472.52
		Female	\$592.45	\$454.52	\$520.30
ACG— adjusted cells					
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	RAC 1F	Both	\$218.65	\$167.75	\$192.02
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 2F	Both	\$344.07	\$ 263.97	\$ 302.17
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600, 4320, 4520, 4620, 4820	RAC 3F	Both	\$449.26	\$344.67	\$394.55

ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 4F	Both	\$628.34	\$482.06	\$551.82
ACG 4430, 4730, 4930, 5030, 5050	RAC 5F	Both	\$839.11	\$643.75	\$736.92
ACG 4940, 5060	RAC 6F	Both	\$1,082.58	\$830.54	\$950.74
ACG 5070	RAC 7F	Both	\$1,733.84	\$1,330.19	\$1,522.69
ACG 100, 200, 300, 500, 600, 1100, 1600, 2000, 2400, 3400, 5100, 5110, 5200	RAC 1G	Both	\$83.36	\$ 70.27	\$ 73.45
ACG 400, 700, 900, 1000, 1200, 1300, 1710, 1711, 1712, 1800, 1900, 2100, 2200, 2300, 2800, 2900, 3000, 3100, 5310	RAC 2G	Both	\$114.52	\$96.54	\$100.91
ACG 1720, 1721, 1722, 1731, 1732, 1730, 2500, 3200, 3300, 3500, 3800, 4210, 5230, 5339	RAC 3G	Both	\$145.74	\$122.85	\$128.42
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	\$204.31	\$172.23	\$180.03
ACG 1400, 1500, 1750, 1761, 1762, 1770, 1771, 1772, 2600,	RAC 5G	Both	\$269.76	\$227.40	\$237.69

4320, 4520, 4620, 4820					
ACG 4330, 4420, 4830, 4910, 4920, 5010, 5020, 5040	RAC 6G	Both	\$340.20	\$286.77	\$299.76
ACG 4430, 4730, 4930,4940, 5030, 5050, 5060, 5070	RAC 7G	Both	\$809.71	\$682.56	\$713.47
SOBRA Mothers			\$714.28	\$547.99	\$627.29
Persons with HIV	ALL	Both	\$597.09	\$597.09	\$597.09

(b) Rate Table for Disabled Individuals  
Effective January 1, 2015—December 31, 2015

	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	\$4,841.19	\$4,841.19	\$4,841.19
	1-5	Male	\$1,115.44	\$1,115.44	\$1,115.44
		Female	\$1,131.86	\$1,131.86	\$1,131.86
	6-14	Male	\$285.98	\$285.98	\$285.98
		Female	\$404.39	\$404.39	\$404.39
	15-20	Male	\$185.77	\$185.77	\$185.77
		Female	\$429.88	\$429.88	\$429.88
	21-44	Male	\$1,031.61	\$822.15	\$828.68
		Female	\$1,216.51	\$969.50	\$977.21
	45-64	Male	\$1,780.08	\$1,418.65	\$1,429.92
		Female	\$1,964.98	\$1,566.01	\$1,578.45
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	\$263.48	\$209.98	\$211.65
ACG 400, 500, 700,	RAC 11	Both	\$327.86	\$261.29	\$263.37

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					
ACG 600, 1760, 1761, 1762, 3600, 3700, 4100, 4320, 4410, 4710, 4810, 4820	RAC 12	Both	\$648.82	\$517.08	\$521.19
ACG 3800, 4210, 4220, 4330, 4420, 4720, 4910, 5320	RAC13	Both	\$703.48	\$560.64	\$565.10
ACG 800, 4430, 4510, 4610, 5040, 5340	RAC14	Both	\$913.18	\$727.77	\$733.55
ACG 1770, 1771, 1772, 4520, 4620, 4830, 4920, 5050	RAC15	Both	\$1,253.18	\$998.73	\$1,006.67
ACG 4730, 4930, 5010	RAC16	Both	\$1,340.07	\$1,067.98	\$1,076.46
ACG 4940, 5020, 5060	RAC17	Both	\$1,794.04	\$1,429.77	\$1,441.13
ACG 5030, 5070	RAC 18	Both	\$3,247.21	\$2,587.89	\$2,608.45
Persons with AIDS	All	Both	\$2,388.35	\$1,498.39	\$1,498.39
Persons with HIV	All	Both	\$1,661.43	\$1,661.43	\$1,661.43

(c) Rate Table for Supplemental Payments for Delivery/Newborn and Hepatitis C Therapy  
Effective January 1, 2015—December 31, 2015

	Age	Gender	Baltimore City	Allegany, Frederick, Garrett, Montgomery, Prince George's and Washington Counties	Rest of State
Supplemental Payment Cells					

<i>Delivery/Newborn-all births except live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$14,084.76</i>	<i>\$11,149.01</i>	<i>\$11,700.64</i>
<i>Delivery/Newborn-live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$70,225.77</i>	<i>\$70,225.77</i>	<i>\$70,225.77</i>
<i>Delivery/Newborn by same enrollee-subsequent live birth weight 1,500 grams or less</i>	<i>All</i>	<i>Both</i>	<i>\$14,084.76</i>	<i>\$11,149.01</i>	<i>\$11,700.64</i>
<i>Hepatitis C Therapy (per member per month)</i>	<i>All</i>	<i>Both</i>	<i>\$37,206.19</i>	<i>\$37,206.19</i>	<i>\$37,206.19</i>

(d) Rate Table for Childless Adult Population Effective January 1, 2015—December 31, 2015

	<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 45 Male</i>	<i>\$354.03</i>	<i>\$271.61</i>	<i>\$310.91</i>
<i>Under 45 Female</i>	<i>\$471.24</i>	<i>\$361.53</i>	<i>\$413.85</i>
<i>45-64 Male</i>	<i>\$722.73</i>	<i>\$554.47</i>	<i>\$634.71</i>
<i>45-64 Female</i>	<i>\$731.42</i>	<i>\$561.14</i>	<i>\$642.35</i>
<i>HIV</i>	<i>\$934.91</i>	<i>\$717.26</i>	<i>\$821.05</i>

(e)—(h) (text unchanged)

(5) (text unchanged)

C. (text unchanged)

D. Interim Rates Adjustments.

(1) (text unchanged)

(2) The Department shall adjust the payment rates specified in [§B(4)(a)—(c)] §B(4)(a)—(d) of this regulation to reflect service cost changes that qualify under §D(3) of this regulation and result from:

(a)—(b) (text unchanged)

(c) [An] *Effective January 1, 2015, an increase or decrease in the preliminary current year statewide [hospital charge-per-case as approved] Medicaid MCO inpatient per capita as calculated using data provided annually by the Health Services Cost Review Commission (HSCRC) during the agreed on rate setting timeline as compared to the data originally available relative to the statewide HSCRC derived inpatient all-payer per capita and updated information for the prior period years; or*

(d) *An increase or decrease in the preliminary current year statewide Medicaid MCO [hospital] outpatient per capita as calculated using data provided annually [rate update factor as approved] by the Health Services Cost Review Commission during the agreed on rate setting timeline as compared to the data originally available relative to the statewide HSCRC derived outpatient all-payer per capita and updated information for prior period years.*

(3)—(6) (text unchanged)10.09.65.19-3 (3/26/15)

**.19-3 MCO Rural Access Incentive.**

A.—B. (text unchanged)

C. Amount of Rural Access Incentive.

(1) [The] *Effective January 1, 2015, the Department shall allocate a maximum of [\$6,000,000], \$11,000,000 for each of the payments in §B(1) and (2) of this regulation, among each of the rural counties specified in §D of this regulation, based on the total MCO enrollment in each county.*

(2) (text unchanged)

(3) [Any] *Effective January 1, 2015, any outstanding funds not awarded in §C(2)of this regulation shall be distributed to all statewide MCOs in accordance with each MCO's statewide enrollment, or if there are no statewide MCOs, to all MCOs in accordance with each MCO's total enrollment regardless of participation in a rural area or whether an MCO is accepting new members*

D. Rural Enrollment Counties. For purposes of this regulation, the following are rural counties:

(1) (text unchanged)

[(2) Calvert;]

[(3)] (2)—[(4)] (3) (text unchanged)

[(5) Charles;]

[(6) (4)—[(11) (8) (text unchanged)

[(11) Saint Mary's;]

[(12) (9)—[(16) (13) (text unchanged)

E. (text unchanged)

**VAN T. MITCHELL**

**Secretary of Health and Mental Hygiene**