

Department of Legislative Services
 Maryland General Assembly
 2024 Session

FISCAL AND POLICY NOTE
 First Reader

House Bill 1036 (Delegate Smith)
 Health and Government Operations

Maryland Medical Assistance Program - Maternal Fetal Medicine Services - Reimbursement

This bill requires Medicaid to reimburse physicians billing for a “maternal fetal medicine code” at the rate associated with the code under the federal Medicare fee schedule.

Fiscal Summary

State Effect: Medicaid expenditures increase by an estimated \$3.5 million (55% federal funds, 45% general funds) in FY 2025 to increase rates. Federal matching fund revenues increase accordingly. Future years reflect annualization. **This bill increases the cost of an entitlement program beginning in FY 2025.**

(\$ in millions)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
FF Revenue	\$1.9	\$2.6	\$2.6	\$2.6	\$2.6
GF/FF Exp.	\$3.5	\$4.7	\$4.7	\$4.7	\$4.7
Net Effect	(\$1.6)	(\$2.1)	(\$2.1)	(\$2.1)	(\$2.1)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate increase; (-) = indeterminate decrease

Local Effect: Local health departments that provide maternal fetal medicine services to Medicaid participants may receive additional reimbursement. Expenditures are not affected.

Small Business Effect: Meaningful.

Analysis

Bill Summary: “Maternal fetal medicine code” means the Current Procedural Terminology code associated with a maternal fetal medicine service. “Maternal fetal

medicine service” means a service provided by a specialized physician for the treatment of a patient who has a pregnancy that is considered high-risk. “Maternal fetal medicine service” includes the service provided for the treatment of a pregnant patient with diabetes, hypertension, multiple gestation, recurrent miscarriage, or a family history of genetic disease.

Current Law: Medicaid generally provides health coverage to children, pregnant women, elderly or disabled individuals, low-income parents, and childless adults. To qualify for Medicaid, applicants must pass certain income and asset tests. Maryland Medicaid covers pregnant women with incomes up to 138% of the federal poverty level (FPL). Pregnant women with incomes between 138% and 264% FPL may also qualify based on their pregnancy under the Sixth Omnibus Budget Reconciliation Act of 1986 category. Effective July 1, 2023, Medicaid provides coverage to noncitizen pregnant women who would be eligible for Medicaid but for their immigration status.

State Fiscal Effect: On an annual basis, more than 44,000 Medicaid participants receive a total of 351,582 maternal fetal medicine services.

Under the bill, Medicaid must increase the reimbursement rates for specified billing codes associated with a maternal fetal medicine service “provided by a specialized physician.” However, due to system limitations, the Maryland Department of Health (MDH) advises that any provider able to bill for the affected codes will be able to receive the higher reimbursement amount.

Across the 15 billing codes specified under the bill, Medicaid currently pays on average 85.8% of the Medicare rate. One of the 15 affected codes (76820) is currently reimbursed at a higher rate than the Medicare schedule.

Thus, MDH advises that Medicaid expenditures increase by an estimated \$3.5 million (55% federal funds, 45% general funds) in fiscal 2025, which reflects the bill’s October 1, 2024 effective date. This estimate reflects the cost to increase the rates paid for 14 of the 15 specified maternal and fetal medicine service codes to the Medicare rate. Medicaid expenditures increase by \$4.7 million (55% federal funds, 45% general funds) in fiscal 2026 (and annually thereafter) to reflect annualization.

This estimate assumes that current utilization rates remain steady in out-years and that code 76820 is not decreased to the Medicare rate (as it could be as the bill requires that reimbursement be *at* the Medicare rate). However, should the rate for this code be reduced, total costs decrease by \$15,000 annually.

Small Business Effect: Small business health care practices that provide maternal and fetal medicine services to Medicaid enrollees receive additional reimbursement.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced in the last three years.

Designated Cross File: SB 716 (Senator Hettleman) - Finance.

Information Source(s): Maryland Department of Health; Department of Legislative Services

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js/ljm

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