



**FY 2015
Medicaid Budget
Update**

**Medicaid Advisory Committee
April 24, 2014**

Medicaid Appropriation (GF)

- Provider Reimbursements - \$2.5B GF
- Administration – \$117M GF
- Kidney Disease – \$2.9M GF
- Total - \$8B TF

- Behavioral Health Medicaid Provider Reimbursements - \$323M GF, \$782M TF

Cost Containments Included in Appropriation

- Reduce funding by extending MCO cost containment for the second half of FY 2015. FY 2015 budget assumes 1% MCO rate reduction for first six months effective July 1, 2014 and this extends to full year. (\$10M GF)
- Delete funding for fiscal agent early takeover.(\$4.8M GF)
- Reduce funding for BIPP pilot project. (\$2.2M GF)

Budget Bill Language

- DHMH shall work to develop an Independent Review Organization (IRO) program. The IRO program shall mirror as closely as possible the appeals and grievance program administered by the Maryland Insurance Administration that currently applies to carriers in the commercial market.
- Funding is restricted for the Medicaid Enterprise Restructuring Project (MERP) development phase until certain project documentation is confirmed as being complete and reported to the budget committee.

Budget Bill Language (cont'd)

- Effective January 1, 2015, the rate paid for anesthesia services provided for Medicaid pediatric dental cases billed under current terminology code 00170 shall be at least 40 percent of the average commercial rate for the eastern region of the United States.
- Requires DHMH to revisit its value-based purchasing program allocation methodology so that MCOs with more negative outcomes than positive outcomes cannot achieve payments under the program. Any change proposed should be implemented for the calendar 2015 value-based purchasing program.

Budget Bill Language (cont'd)

- Restricts \$100,000 until DHMH submits a report to clarify the clinical and financial management responsibilities of the Behavioral Health Administration and Medicaid Administrations in the new service delivery system and also to identify opportunities for stakeholders to be part of the transition process.
- Restricts \$100,000 until DHMH either submits a waiver or explains why it is not submitting a waiver for children with Prader-Willi Syndrome.

BRFA Bill Update

- Medicaid will participate with the Health Services Cost Review Commission(HSCRC) and Maryland Hospital Association(AHA) in developing a methodology for calculating Medicaid savings under the new Hospital Waiver.