



STATE OF MARYLAND

DHMH

PT 23-05

Office of Health Services
Medical Care Programs

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Robert L. Ehrlich, Jr., Governor – Michael S. Steele, Lt. Governor – S. Anthony McCann, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM

Hospital Transmittal No. 190

Nursing Home Transmittal No. 193

May 9, 2005

TO: Chronic Hospitals
Nursing Homes
Susan J. Tucker

FROM: Susan J. Tucker, Executive Director
Office of Health Services

NOTE: Please ensure that the appropriate staff members in your organization are informed of the contents of this transmittal

RE: Emergency and Proposed Amendments to Hospital Services, COMAR 10.09.06.

ACTION:
Emergency/Proposed Regulations

EFFECTIVE DATE:
April 1, 2005

WRITTEN COMMENTS TO:
Michele Phinney
201 W. Preston Street, Rm. 538
Baltimore, MD 21201
Fax 410-767-6483 or call 410-767-6499 or
1-877-4MD-DHMH, extension 6499

PROGRAM CONTACT:
Elizabeth Groninger, Chief
Division of Long Term Care
410-767-1736
1-877-4MD-DHMH, extension 1736

COMMENT PERIOD EXPIRES: May 31, 2005

The Maryland Medical Assistance Program is proposing to amend Regulation .10 and adopt new Regulation .10-C-1 under COMAR 10.09.06 Hospital Services. Emergency status for these provisions has been approved by the Joint Committee on Administrative, Executive and Legislative Review, effective April 1, 2005.

The Department, as a cost containment initiative, will discontinue paying chronic hospital rates for ventilator-dependent patients who can be safely and appropriately cared for in a nursing facility. In conjunction with this change, the proposal will amend COMAR 10.09.06 to increase the administrative day payment to a hospital for ventilator patients who are determined to no longer require hospital level care, at a rate comparable to that which the Medicaid program would pay a nursing facility for ventilator care.

Attached is a copy of the proposed amendments as published in the April 29, 2005 issue of the Maryland Register.

Attachment

Toll Free 1-877-4MD-DHMH • TTY for Disabled – Maryland Relay Service 1-800-735-2258

Web Site: www.dhmh.state.md.us



Subtitle 09 MEDICAL CARE PROGRAMS
10.09.06 Hospital Services

Authority: Health-General Article, §§2-104(b), 15-103, and 15-105, Annotated Code of Maryland

Notice of Proposed Action
 [05-092-P]

The Secretary of Health and Mental Hygiene proposes to amend Regulation .04 under COMAR 10.09.06 Hospital Services.

Statement of Purpose

The purpose of this action is to extend the sunset date for the hospital day limits from June 30, 2005 to June 30, 2006.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. The continuation of hospital day limits is projected to save an additional \$45,200,000 in Fiscal Year 2006, which includes savings of 25 percent for the Mental Hygiene Administration.

II. Types of Economic Impact.	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency: Department of Health and Mental Hygiene	(E-)		\$45,200,000
B. On other State agencies:	NONE		
C. On local governments:	NONE		
	Benefit (+)	Cost (-)	Magnitude
D. On regulated industries or trade groups: Hospital providers	(-)		\$45,200,000
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 Department's projected July 2005 through June 2006 expenditures will decrease by \$45,200,000 (\$22,600,000 federal funds and \$22,600,000 general funds) due to the hospital day limits placed on hospital services for recipients 21 years old or older and not pregnant.

D. The hospital day limits will negatively impact the hospital providers by \$45,200,000 (including the Mental Hygiene Administration's 25 percent).

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, Regulations Coordinator, Department of Health and Mental Hygiene, 201 W. Preston Street, Room 521, Baltimore, Maryland 21201, or fax to (410) 333-7687, or email to regs@dhmh.

state.md.us, or call (410) 767-6499 or 1-877-4MD-DHMH, extension 6499. These comments must be received by May 31, 2005.

.04 Covered Services.

- A. — B. (text unchanged)
- C. Hospital Day Limits — Effective July 1, 2004 to [June 30, 2005] June 30, 2006.
- (1) — (3) (text unchanged)
- D. (text unchanged)

S. ANTHONY McCANN
 Secretary of Health and Mental Hygiene

Subtitle 09 MEDICAL CARE PROGRAMS
10.09.06 Hospital Services

Authority: Health-General Article, §§2-104(b), 15-103, and 15-105, Annotated Code of Maryland

Notice of Proposed Action
 [05-084-P]

The Secretary of Health and Mental Hygiene proposes to amend Regulation .10 under COMAR 10.09.06 Hospital Services.

Statement of Purpose

The purpose of this action is to implement a reimbursement rate for patients who are ventilator-dependent but no longer require hospital level of care.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. This action will increase the reimbursement to certain hospitals that provide services to patients who are determined to be at a nursing home level of care and are ventilator-dependent. The practice now is to reimburse hospitals at an administrative day rate at the estimated Statewide average Medicaid nursing home payment rate (average rate) when a patient is ventilator-dependent. This action will increase the administrative day rate for ventilator-dependent patients who are determined to be at a nursing home level of care from the average rate to the average rate plus a ventilator add-on. The current average nursing home rate is \$175.80 per day and the current ventilator add-on is \$395.25 per day.

II. Types of Economic Impact.	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency: Medical Assistance Program	(E+)		\$742,971
B. On other State agencies:	NONE		
C. On local governments:	NONE		
	Benefit (+)	Cost (-)	Magnitude
D. On regulated industries or trade groups: Hospitals	(+)		\$742,971
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 Department of Health and Mental Hygiene estimates that on an average day, five ventilator-dependent patients determined to be at a nursing home level of care will be served in a chronic hospital under an administrative day rate. Therefore, for FY 2006, the economic impact for this period would be \$395.25 ventilator add-on x 365 days x 5 x 1.03 (3 percent inflation) = \$742,971. Fifty percent of this amount is State general funds and 50 percent is federal funds.

D. Payments to hospitals will increase by \$742,971 as indicated in A, above.

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 W. Preston Street, Room 521, Baltimore, Maryland 21201, or call (410) 767-6499 or 1-877-4MD-DHMH, extension 6499, or fax to (410) 333-7687, or email to regs@dnhm.state.md.us. Comments will be accepted through May 31, 2005.

.10 Billing and Reimbursement Principles.

A. — B. (text unchanged)

C. [Payment] For patients who are not ventilator-dependent, payment for approved administrative days shall be the lesser of:

(1) — (2) (text unchanged)

C-1. For patients who are ventilator-dependent, payment for approved administrative days in a hospital shall be the sum of:

- (1) An estimated Statewide average Medicaid nursing home payment rate as determined by the Department; and
- (2) An estimated Statewide average Medicaid nursing home ventilator add-on rate as determined by the Department.

D. — R. (text unchanged)

S. ANTHONY McCANN
Secretary of Health and Mental Hygiene

Subtitle 09 MEDICAL CARE PROGRAMS

10.09.12 Disposable Medical Supplies and Durable Medical Equipment

Authority: Health-General Article, §§2-104(b), 15-103, 15-105, and 15-129, Annotated Code of Maryland

Notice of Proposed Action

(05-099-F)

The Secretary of Health and Mental Hygiene proposes to amend Regulations .01 and .04 — .07 under COMAR 10.09.12 Disposable Medical Supplies and Durable Medical Equipment.

Statement of Purpose

The purposes of this action are to: (1) set Maryland Medicaid provider reimbursement at 100 percent of the Medicare fee schedule for applicable items; (2) set reimbursement for other items based on retail price or provider cost, with differential reimbursement for customized equipment;

(3) provide straightforward language and administrative simplification; (4) permit providers to request post-service, prepayment authorization for certain items; and (5) reduce the number of items requiring prepayment authorization.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. The proposed action will reduce the Department's expenditures for fee-for-service medical equipment and supplies by \$2,600,000 (\$1,300,000 general and \$1,300,000 federal) during FY2006.

II. Types of Economic Impact.

	Revenue (R+/R-)	Expenditure (E+/E-)	Magnitude
A. On issuing agency: Medical Assistance Program	(R-)		\$2,600,000
B. On other State agencies:	NONE		
C. On local governments:	NONE		

	Benefit (+)	Cost (-)	Magnitude
D. On regulated industries or trade groups:		(-)	\$2,600,000
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. and D. Under the Department's current reimbursement methodology, expenditures for medical equipment and supplies are expected to be approximately \$3,300,000. The cost savings realized from the proposed action will reduce overall expenditures by 7.8 percent, or approximately \$2,600,000. Fifty percent (\$1,300,000) of this amount is federally funded.

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, Regulations Coordinator, Office of Regulation and Policy Coordination, Department of Health and Mental Hygiene, 201 W. Preston Street, Room 521, Baltimore, Maryland 21201, or call (410) 767-6499 or 1-877-4MD-DHMH, extension 6499, or fax to (410) 333-7687, or email to regs@dnhm.state.md.us. Comments will be accepted through May 31, 2005.

.01 Definitions.

A. (text unchanged)

B. Terms Defined.

(1) "Customary charge" means the uniform amount that the provider charges in the majority of cases for a specific supply of piece of equipment, excluding token charges for charity patients and substandard charges for welfare and other low income patients.

(2) "Customized equipment" means durable medical equipment which is uniquely constructed or substantially modified by the provider from the standard product: