



**MEDICAL CARE POLICY ADMINISTRATION
DEPARTMENT OF HEALTH AND MENTAL HYGIENE**

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**MARYLAND MEDICAL ASSISTANCE PROGRAM
Medical Day Care Transmittal No. 37**

July 4, 1997

TO Medical Day Care Centers
FROM Joseph M. Millstone, *JMM* Director
Medical Care Policy Administration

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

RE: Fiscal Year 1998 Per Diem Rate

In accordance with Regulation .09D under COMAR 10.09.07 Medical Day Care Services, a new per diem rate for medical day care providers will become effective July 1, 1997. This rate will be **\$58.22**. The rate was determined by adjusting the per diem rate for fiscal year 1997 (\$57.59) by the annual percentage change in the U.S. Department of Labor March Consumer Price Index for All Urban Consumers (CPI-U), medical care services component, Baltimore. This index increased 1.1% between March 1996 and March 1997.

Medicaid reimbursement for medical day care services is not subject to cost settlement. However, in accordance with COMAR 10.09.07.09E, the payment to a provider may not exceed the lesser of the per diem rate (\$58.22, effective July 1, 1997) or the provider's customary charge to the general public. This means that a provider may not bill for the Medicaid per diem rate for any recipient if there are private pay participants for whom the provider charges less than the Medicaid per diem rate for the same service, unless based upon an approved sliding fee schedule. Providers who elect to use a sliding fee schedule should continue to follow the guidelines in Medical Day Care Transmittal No. 25 dated January 25, 1989. Regardless of whether a provider uses a sliding fee schedule, any provider who chooses to set its private charge below the Medicaid rate must bill Medicaid no more than its private charge.

Questions regarding this transmittal should be directed to the Medical Day Care Specialist at (410) 767-1444.

JMM/sdm
cc: Maryland Association for Adult Day Care