



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

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**MARYLAND MEDICAL ASSISTANCE PROGRAM  
HealthChoice Transmittal No. 2  
August 3, 1998**

**TO:** Hospitals  
Managed Care Organizations

**FROM:** Joseph M. Millstone, Director  
Medical Care Policy Administration

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

**RE:** Emergency Room Services

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Recently, the Department has been notified that hospitals are having difficulty receiving reimbursement from MCOs for services which meet the prudent layperson standard. In addition, I have been told that staff in some hospital emergency rooms are calling to ask staff from the Managed Care Organizations (MCOs) for preauthorization to see emergency room patients. The purpose of this transmittal is to provide guidance on these issues.

The HealthChoice regulations require MCOs to:

Reimburse a hospital emergency facility and provider, which is not required to obtain prior authorization or approval for payment from an MCO in order to obtain reimbursement under this regulation, for:

- 1) Emergency services that are provided in a hospital emergency facility after the sudden onset of a medical condition that manifests itself by symptoms of

sufficient severity, including severe pain, that the absence of immediate medical attention could reasonably be expected by a prudent layperson, who possesses an average knowledge of health and medicine, to result in:

- (a) Placing the patient's health in serious jeopardy;
  - (b) Serious impairment to bodily functions; or
  - (c) Serious dysfunction of any bodily organ or part.
- (2) Medical screening services rendered to meet the requirements of the federal Emergency Medical Treatment and Active Labor Act;
  - (3) Medically necessary and appropriate services if the MCO authorized, referred, or otherwise allowed the enrollee to use the emergency facility and the medically necessary and appropriate services are related to the condition for which the enrollee was allowed to use the emergency facility; and
  - (4) Medically necessary and appropriate services that relate to the condition presented and that are provided by the provider in the emergency facility to the enrollee if the MCO fails to provide 24-hour access to a physician.

Hospital emergency room staff should not call MCOs for authorization to provide services which meet the above criteria. Instead, they should deliver the services and then bill the MCOs. The MCOs have a right to ask the hospitals to provide information to document that the emergency service met one of the above criteria. MCOs do not have the right to refuse payment for a service that meets any of the above criteria on the ground that a hospital did not request preauthorization. In addition, MCOs may not deny payment based on later laboratory or radiology findings that hospitals order in their effort to diagnose the presenting condition.

If you have additional questions about these issues, please contact Mr. Jeffrey Gruel, Chief, Division of Medical Services, at (410)767-1455. Thank you.