



STATE OF MARYLAND

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Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

August 9, 2013

Cindy Mann  
Director  
Center for Medicaid and CHIP Services  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
Mail Stop S2-26-12  
7500 Security Boulevard  
Baltimore, MD 21244

Dear Ms. Mann,

On behalf of the Maryland Medicaid program, I am writing to request two additional waiver authorities to be included in our §1115 HealthChoice renewal application.

**Presumptive Eligibility**

Starting January 1, 2014, regardless of whether a state has chosen to implement presumptive eligibility for certain eligible populations, participating Medicaid hospitals have the option to elect to become an entity that is qualified to make a presumptive eligibility determination. Maryland does not currently permit presumptive eligibility determinations in its Medicaid program. The Department is concerned about the number of system changes that is required to implement the presumptive eligibility requirements by hospitals. The federal statutory requirement -- 42 CFR § 435.1103(a) -- requires that states only determine pregnant women to be eligible for ambulatory prenatal care during the presumptive eligibility period. The system requirements to assure inpatient stays and other State Plan services are not provided for pregnant women during the presumptive eligibility period are significant. The Department, therefore, requests a waiver to this requirement and that it be allowed to provide the entire State Plan benefit package to pregnant woman.

**Rare and Expensive Management Program**

The Rare and Expensive Management (REM) program was created in 1997 in the original HealthChoice §1115 waiver. Under REM, individuals with delineated diagnoses may opt out of capitated managed care, and remain in fee-for-service. REM now includes approximately 4,000

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recipients with complex needs. Individuals in the REM program also have a REM case manager to help them navigate across all of their medical providers, such as subspecialty pediatricians, DME, specialists, hospitals, etc. The Department has received strong recommendations from the State's physician association (MedCHI) and the State's chapter of the American Academy of Pediatrics that we should selectively contract with a single REM case management agency. We have been urged to select this single case management agency on the basis of quality, enhanced benefits, past performance, a strong work plan, and other factors. We have taken steps in this direction. At present, the Department currently claims these REM case management services as an administrative expense, not a medical service expense. We have two issues related to the renewal of the §1115 waiver. First, starting January 1, 2014, the Department intends to begin to claim REM case management as a medical service expenditure, rather than as an administrative expenditure. We want to make this switch to clarify that a REM case manager is a provider of services to a REM recipient, and is a patient-advocate for the recipient. The function, in other words, is not administrative case management akin to utilization review. The role properly is described as a service. Second, and related, the Department requests a waiver to 42 CFR § 431.51 which requires a choice of REM case management agency providers. Because we have been strongly urged by physicians and other providers who treat REM recipients to selectively contract with a high-quality REM case management agency that understands and can serve complex populations, the Department would like the authority to selectively contract with a case management agency (that includes many individual case managers) based on its evaluation of how best to assure efficiency and quality of care for REM participants. If the Department completes the award to only one contract, REM recipients would have a choice of case manager providers within that single agency.

I look forward to working with your Administration during the §1115 (HealthChoice) Demonstration Waiver renewal process. Should you have any questions or concerns, please contact our Director of the Planning Administration, Tricia Roddy, via email at [tricia.rodny@maryland.gov](mailto:tricia.rodny@maryland.gov) or via telephone at (410) 767-5809.

Sincerely,

/s/

Charles J. Milligan, Jr.  
Deputy Secretary  
Health Care Financing

cc: Julie Sharp, CMS  
Heather Hostetler, CMS  
Andrea Cunningham, CMS