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State/Territory Name: MD

State Plan Amendment (SPA) #: 23-0001

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
601 E. 12th St., Room 355
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

March 24, 2023

Steven Schuh
Medicaid Director
Maryland Department of Health
201 W. Preston Street, 5th Floor
Baltimore, MD 21201

Re: Maryland State Plan Amendment (SPA) 23-0001

Dear Director Schuh:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number (TN) MD-23-0001.

This amendment proposes using American Rescue Plan Act (ARPA) reinvestment funds to establish peer recovery support services in SUD settings in alignment with behavioral health priorities and stakeholder response. The SPA also removes the waiver requirement for prescribing buprenorphine for opioid use disorder based on the federal Drug Enforcement Agency (DEA) announcement.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations found at 42 CFR 447.201.

This letter is to inform you that Maryland Medicaid SPA 23-0001 was approved on March 24, 2023, with an effective date January 1, 2023.

If you have any questions, please contact Kerston Crawford-Thorns at 214-767-6484 or via email at kerston.crawford-thorns@cms.hhs.gov.

Sincerely,

Bill Brooks, Director
Division of Managed Care Operations
Medicaid and CHIP Operations Group
Centers for Medicare & Medicaid Services

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 3</u> — <u>0 0 0 1</u>	2. STATE <u>MD</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE January 1, 2023
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5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447.256	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>215,497</u> b. FFY <u>2024</u> \$ <u>107,748</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 3 to Attachment 3.1A pg. 11F (22-0027) Att. 3.1A pg. 19c (22-0027)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Supplement 3 to Attachment 3.1A pg. 11F (08-04) Att. 3.1A pg. 19c (02-8)
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9. SUBJECT OF AMENDMENT
Effective January 1, 2023, the Maryland Department of Health will be modifying the methodology by which it gathers data to calculate rates for Programs of All-Inclusive Care for the Elderly (PACE) in order to identify possible regions for future expansion. PACE will be grouped into three regions (Baltimore Metro, Washington Metro, and Rural), rather than pulling data only from Baltimore City. Effective February 1, 2023, Medicaid will initiate an increase from one PACE program to five.

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OFFICIAL	15. RETURN TO Steven Schuh Medicaid Director Maryland Department of Health 201 W. Preston St., 5th Floor Baltimore, MD 21201
12. TYPED NAME Tricia Roddy	
13. TITLE Deputy Medicaid Director	
14. DATE SUBMITTED	

FOR CMS USE ONLY

16. DATE RECEIVED 01/11/2023	17. DATE APPROVED 03/24/2023
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PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL 01/01/2023	19. <input type="text"/>
20. TYPED NAME OF APPROVING OFFICIAL Bill Brooks	21. TITLE OF APPROVING OFFICIAL Division Director-Division of Managed Care Operations

22. REMARKS

State of Maryland

PACE State Plan Amendment

Citation 3.l(a)(l) Amount, Duration, and Scope of Services: Categorically Needy (Continued)

1905(a)(26) and 1934

X Program of All-Inclusive Care for the Elderly (PACE) services, as described and limited in Supplement 3 to Attachment 3.1-A.

ATTACHMENT 3.1-A identifies the medical and remedial services provided to the categorically needy. (Note: Other programs to be offered to Categorically Needy beneficiaries would specify all limitations on the amount, duration and scope of those services. As PACE provides services to the frail elderly population without such limitation, this is not applicable for this program. In addition, other programs to be offered to Categorically Needy beneficiaries would also list the additional coverage -that is in excess of established service limits-for pregnancy-related services for conditions that may complicate the pregnancy. As PACE is for the frail elderly population, this also is not applicable for this program.)

State of Maryland
PACE STATE PLAN
Rate-setting Methodology

The Department calculates the capitation rates for the PACE program using an Amount that Would Otherwise been Paid (AWOP) analysis, applying service-category specific cost trends to derive a per-member per-month amount for defined coverage groups reflecting age, gender, and region of the eligible population.

The methodology establishes a base period of two consecutive fiscal years' worth of data that reflect the trended Medicaid fee for service (FFS) costs of a population eligible for the PACE program, i.e., persons aged 55 and older, certified medically eligible for nursing facility level of care, and living within the PACE Organization's designated service area. Beginning with Calendar Year 2023, data will be gathered and rates calculated for each of the regions listed below, so that the costs used to develop PACE rates reflect these regions:

- 1) Baltimore Metro - Baltimore City and Anne Arundel, Baltimore, Cecil, Carroll, Harford, and Howard counties
- 2) Washington Metro - Calvert, Charles, Frederick, Montgomery, Prince George's, and St. Mary's counties
- 3) Rural - Allegany, Garrett, Washington, Caroline, Dorchester, Kent, Queen Anne's, Somerset, Talbot, Wicomico, and Worcester counties

Participants already enrolled in Medicaid managed care programs (including PACE) are excluded from the comparison base. No adjustments for administrative costs associated with PACE are included, and certain categories of costs not associated with a PACE-eligible, nursing facility-certified population are excluded from the claims data.

To develop annual PACE rates, the Department re-bases the claims period by moving it forward one year, such that one year of the current two-year base period will have been included in the previous year's base. Each of the two base years' data is trended forward by category of service (i.e., acute care based upon the latest trend information for Medicaid costs, nursing facility costs based on the latest changes in nursing home rates, and home health and special service costs based on the latest available Medicaid FFS experience for the PACE-eligible participants).

Calculation of Capitation Rates

The two years of trended data are combined to calculate costs on a per-member per-month basis, subtotaled by age (under- or over-65), by eligibility group, and weighted by the expected mix of program participants receiving long term care services in institutional compared to community-based settings. The rates are then reduced by an assumption of 2% savings attributed to managed care, and blended rates determined, according to the following categories:

- 1) Ages 55-64, Medicaid-only
- 2) Ages 65 and over, Medicaid-only
- 3) Ages 55-64, Dual eligibility
- 4) Ages 65 and over, Dual eligibility
- 5) Ages 55-64, QMB
- 6) Ages 65 and over, QMB