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State/Territory Name: Maryland

State Plan Amendment (SPA) #: 24-0005

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES Centers for Medicare & Medicaid Services 7500 Security Boulevard, Mail Stop S2-26-12 Baltimore, Maryland 21244-1850



#### Managed Care Group

April 17, 2024

Laura Herrera Scott, MD, MPH Secretary of Health, Maryland Department of Health 201 W. Preston Street, 5th Floor Baltimore, MD 21201

Re: Maryland State Plan Amendment (SPA) 24-0005

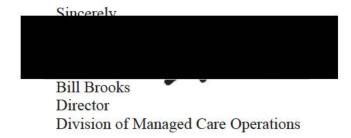
### Greetings Secretary Scott:

The Centers for Medicare & Medicaid Services (CMS) completed the review of Maryland's State Plan Amendment (SPA) Transmittal Number MD-24-0005 submitted on February 27, 2024. The purpose of this SPA is to correct the typographical errors located in boxes 7 and 8 of CMS Form 179 for the Medicaid PACE SPA MD-23-0015.

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 24-0005 is approved with an effective date of July 1, 2023.

If you have any questions, please contact Kerston Crawford-Thorns at 214-767-6484 or via email at <a href="mailto:kerston.crawford-thorns@cms.hhs.gov">kerston.crawford-thorns@cms.hhs.gov</a>.



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES  TO: CENTER DIRECTOR     CENTERS FOR MEDICAID & CHIP SERVICES     DEPARTMENT OF HEALTH AND HUMAN SERVICES  5. FEDERAL STATUTE/REGULATION CITATION 42 CFR 447.201  7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplement 3 to Attachment 3.1A pg. 11F (24-0005) Section 3 pg. 19c (24-0005)	1. TRANSMITTAL NUMBER  2 4 — 0 0 0 5 MD  3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT XIX XXI  4. PROPOSED EFFECTIVE DATE  July 1, 2023  6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)  a. FFY 2023 \$ 0  b. FFY 2024 \$ 0  8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)  Supplement 3 to Attachment 3.1A pg. 11F (24-0004)  Section 3 pg. 19c (24-0004)		
9. SUBJECT OF AMENDMENT This SPA is an administrative update to correct a clerical error involving the SPA IDs on the form 179 of SPA MD-23-0015			
10. GOVERNOR'S REVIEW (Check One)  GOVERNOR'S OFFICE REPORTED NO COMMENT COMMENTS OF GOVERNOR'S OFFICE ENCLOSED NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL	OTHER, AS SPECIFIED:		
12. TYPED NAME Tricia Roddy  A2. TITLE	15. RETURN TO Ryan Moran Medicaid Director Maryland Department of Health 201 W. Preston St., 5th Floor Baltimore, MD 21201		
02/27/2024 FOR CMS USE ONLY			
16. DATE RECEIVED 17 03/01/2024	DATE APPROVED 04/17/2024		
18. EFFECTIVE DATE OF APPROVED MATERIAL  19. SIGNATURE OF APPROVED OFFICIAL			
01/01/2023			
	TITLE OF APPROVING OFFICIAL Director, Division of Managed Care Operations		
22. REMARKS			

## State of <u>Maryland</u> PACE State Plan Amendment

Citation 3.I(a)(I) 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 permember 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 appropriate rate categories.

TN# 24-0005	Approval Date:	Effective Date: 7/1/2023
11N# <u>24-0003</u>	Approvar Date	Lifective Date. 1/1/2023