



STATE OF MARYLAND

DHMH

Office of Health Services
Medical Care ProgramsMaryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – John M. Colmers, Secretary

MARYLAND MEDICAL ASSISTANCE PROGRAM**Physicians' Transmittal No. 133****June 20, 2008**

TO: General Clinics
Managed Care Organizations
Nurse Anesthetists
Nurse Practitioners
Nurse Midwives
Physicians
Podiatrists

Susan J. Tucker

FROM: Susan Tucker, Executive Director
Office of Health Services

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

RE: Proposed Amendments to Physicians' Services, COMAR 10.09.02

The Maryland Medical Assistance Program is proposing to amend Regulations .05 Limitations and .07 Payment Procedures under COMAR 10.09.02, Physicians' Services, effective July 1, 2008. A copy of the proposed amendment, that is expected to be published in the August 1, 2008 issue of the Maryland Register, is attached.

In accordance with recent changes in Federal regulations, the amendment to .05 Limitations makes it clear that the Medicaid Program does not cover prescriptions for drugs written on prescription pads which do not prevent copying, modification or counterfeiting. In addition, it clarifies that Medicaid does not cover physician-administered drugs from manufacturers who do not participate in the Federal Drug Rebate Program.

The amendment to .07 Payment Procedures revises the Medical Assistance Program's Physicians' Services Provider Fee Manual by incorporating the American Medical Association's Current Procedural Terminology (CPT) additions and deletions for 2008. The revision also brings physician fees more into compliance with Medicare physician fees. For example, the proposed fees will utilize Medicare's site of service

differential for facilities (hospitals) and non-facilities (offices), Medicare's reimbursement rate for the professional component (modifier 26), and phase out the 20% bonus for certain medical and surgical procedures performed in an office setting. The net result will increase physician fees on aggregate by approximately \$9 million and bring all physician fees up to a minimum of 78.6 % of Medicare's fees. For individual procedure codes, there will be fee increases for approximately 3,500 procedures and fee decreases for approximately 2,400 procedures.

The Physicians' Services Provider Fee Manual Revision 2008 is available on the internet at www.dhmh.state.md.us/mma/providerinfo. Any questions regarding this transmittal, the 2008 revision to the physician fee schedule or requests for hard or email copies of the fee schedule should be directed to the staff specialist for Physicians' Services at 410-767-1722 or 1-877-463-3464, extension 1722.

Attachment

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/12/2008	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 8/1/2008

2. COMAR Codification

Title Subtitle Chapter Regulation

10 09 02 05 and .07

3. Name of Promulgating Authority

Department of Health and Mental Hygiene

4. Name of Regulations Coordinator

Michele Phinney

Telephone Number

410-767-5623

Mailing Address

201 W. Preston Street

City State Zip Code

Baltimore MD 21201

Email

phinneym@dhhm.state.md.us

5. Name of Person to Call About this Document

Lisa Fassett

Telephone No.

410-767-0579

Email Address

fassettL@dhhm.state.md.us

6. Check applicable items:

- New Regulations
- Amendments to Existing Regulations
Date when existing text was downloaded from COMAR online: 4-28-08.
- Repeal of Existing Regulations
- Recodification
- Incorporation by Reference of Documents Requiring DSD Approval
- Reproposal of Substantively Different Text:
: Md. R
(vol.) (issue) (page nos) (date)
Under Maryland Register docket no.: --P.

7. Is there emergency text which is identical to this proposal:

Yes No

If yes, corresponding proposed text published in:

- same issue
- future issue
- previous issue; it appeared in
: Md. R
(vol.) (issue) (page no's) (date)
Under Maryland Register docket no.: --E.

8. Incorporation by Reference

Check if applicable: Incorporation by Reference (IBR) approval form(s) attached and 18 copies of documents proposed for incorporation submitted to DSD. (Submit 18 paper copies of IBR document to DSD and one copy to AELR.)

9. Public Body - Open Meeting

OPTIONAL - If promulgating authority is a public body, check to include a sentence in the Notice of Proposed Action that proposed action was considered at an open meeting held pursuant to State Government Article, §10-506(c), Annotated Code of Maryland.

OPTIONAL - If promulgating authority is a public body, check to include a paragraph that final action will be considered at an open meeting.

10. Children's Environmental Health and Protection

Check if the system should send a copy of the proposal to the Children's Environmental Health and Protection Advisory Council.

11. Certificate of Authorized Officer

I certify that the attached document is in compliance with the Administrative Procedure Act. I also certify that the attached text has been approved for legality by Barbara Hull Francis, Assistant Attorney General, (telephone #410-767-1866) on May 28, 2008. A written copy of the approval is on file at this agency.

Name of Authorized Officer

John M. Colmers

Title

Secretary

Date

June 12, 2008

Telephone No.

410-767-6500

Title 10

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

Subtitle 09 MEDICAL CARE PROGRAMS

10.09.02 Physicians' Services

Authority: Health General Article, §§2-104(b), 15-103 and 15-105, Annotated Code of Maryland

Notice of Proposed Action

□

The Secretary of Health and Mental Hygiene proposes to amend Regulations .05 and .07 under COMAR 10.09.02 Physicians' Services.

Statement of Purpose

The purpose of this action is to revise the Maryland Medical Assistance Program's Physicians' Services Provider Fee Manual by incorporating the American Medical Association's Current Procedural Terminology (CPT) additions and deletions for 2008, increase fees for evaluation and management, surgery, radiology and medicine services and procedures. In addition, recent changes in Federal regulations require the Medicaid Program to clarify that it does not cover prescriptions for drugs written on prescription pads which do not prevent copying, modification or counterfeiting. The regulation also clarifies that the Program does not cover physician-administered drugs from manufactures who do not participate in the Federal Drug Rebate program.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact.

The Maryland Health Care provider Rate Stabilization Fund has allocated \$665,042 (\$332,521 general funds and \$332,521 federal funds) for fee for service physician fee increases for the last 6 months of FY 2009.

II. Types of Economic Impact.	Revenue (R+/R-)	Magnitude
	Expenditure (E+/E-)	
A. On issuing agency:	(E+)	\$332,521 (general) \$332,521 (federal)
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:	(+)	\$665,042
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

A. In order to retain physician providers in the State and assure access to quality health care for Medical Assistance recipients, Senate Bill 836 created a Medical Assistance Account which allocates funds to the Department of Health and Mental Hygiene to increase Medicaid fees for physicians. The General Fund cost of the fee-for-service fee increases for the last 6 months of FY 2009 is \$332,521 and \$332,521 will be received in federal matching funds.

D. An increase in Medicaid fee-for-service rates for physicians will cost \$665,042 for the last 6 months of FY 2009. It is assumed that reimbursing physicians at higher rates will be an incentive for physicians to continue to practice in Maryland and to provide quality health care.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

Physician individual practitioners and group practices will receive increased reimbursements for services provided to Medical Assistance recipients.

Impact on Individuals with Disabilities

The proposed action has an impact on individuals with disabilities as follows:
The proposed action will result in continued and enhanced access to quality health care for individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Michele Phinney, Director, Office of Regulation and Policy Coordination, Department of Health and Mental Hygiene, 201 W. Preston Street, Room 512, Baltimore, MD 21201, or call 410-767-6499, or email to regs@dhmh.state.md.us, or fax to 410-333-7687. Comments will be accepted through September 2, 2008. A public hearing has not been scheduled.

Economic Impact Statement Part C

- A. Fiscal Year in which regulations will become effective: FY 2009
- B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?
Yes
- C. If 'yes', state whether general, special (exact name), or federal funds will be used:
State general funds (\$332,521) and matching federal funds (\$332,521) will be used.
- D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:
- E. If these regulations have no economic impact under Part A, indicate reason briefly:
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.
- G. Small Business Worksheet:

Attached Document:

10.09.02.05 (04-28-08)

.05 Limitations.

- A. Services which are not covered are:

(1) —(19) (text unchanged)

(20) Sterilization reversal procedures; [and]

(21) Gender change or sex reassignment procedures[.];

(22) Prescriptions for drugs written on prescription pads which do not prevent copying, modification or counterfeiting; and

(23) Physician-administered drugs from manufacturers who do not participate in the Federal Drug Rebate Program.

B. —H. (text unchanged)

.07 Payment Procedures.

A. —C. (text unchanged)

D. The Maryland Medical Assistance Program Physicians' Services Provider Fee Manual, Revision [2007] 2008, is contained in the Medical Assistance Provider Fee Manual, dated October 1986. All the provisions of this document, unless specifically excepted, are incorporated by reference.

E.—Q. (text unchanged)

JOHN M. COLMERS

Secretary of Health and Mental Hygiene