

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State of Maryland

ATTORNEY GENERAL'S CERTIFICATION

I certify that:

Department of Health and Mental Hygiene is the  
single State agency responsible for:

administering the plan.

The legal authority under which the agency administers the plan on a Statewide basis is

Maryland Code Annotated, Health General Article § 15-103.  
(statutory citation).

supervising the administration of the plan by local political subdivisions.

The legal authority under which the agency supervises the administration of the plan on a Statewide basis is contained in

Maryland Code Annotated, Health General Article § 2-104.  
(statutory citation)

The agency's legal authority to make rules and regulations that are binding on the political subdivisions administering the plan is

Maryland Code Annotated, Health General Article § 2-104.  
(statutory citation)

April 28, 2011  
DATE:

(Mark Davis)

Mark Davis  
Signature

Assistant Attorney General  
Title

TN # 11-08  
Supersedes TN # 08-1974

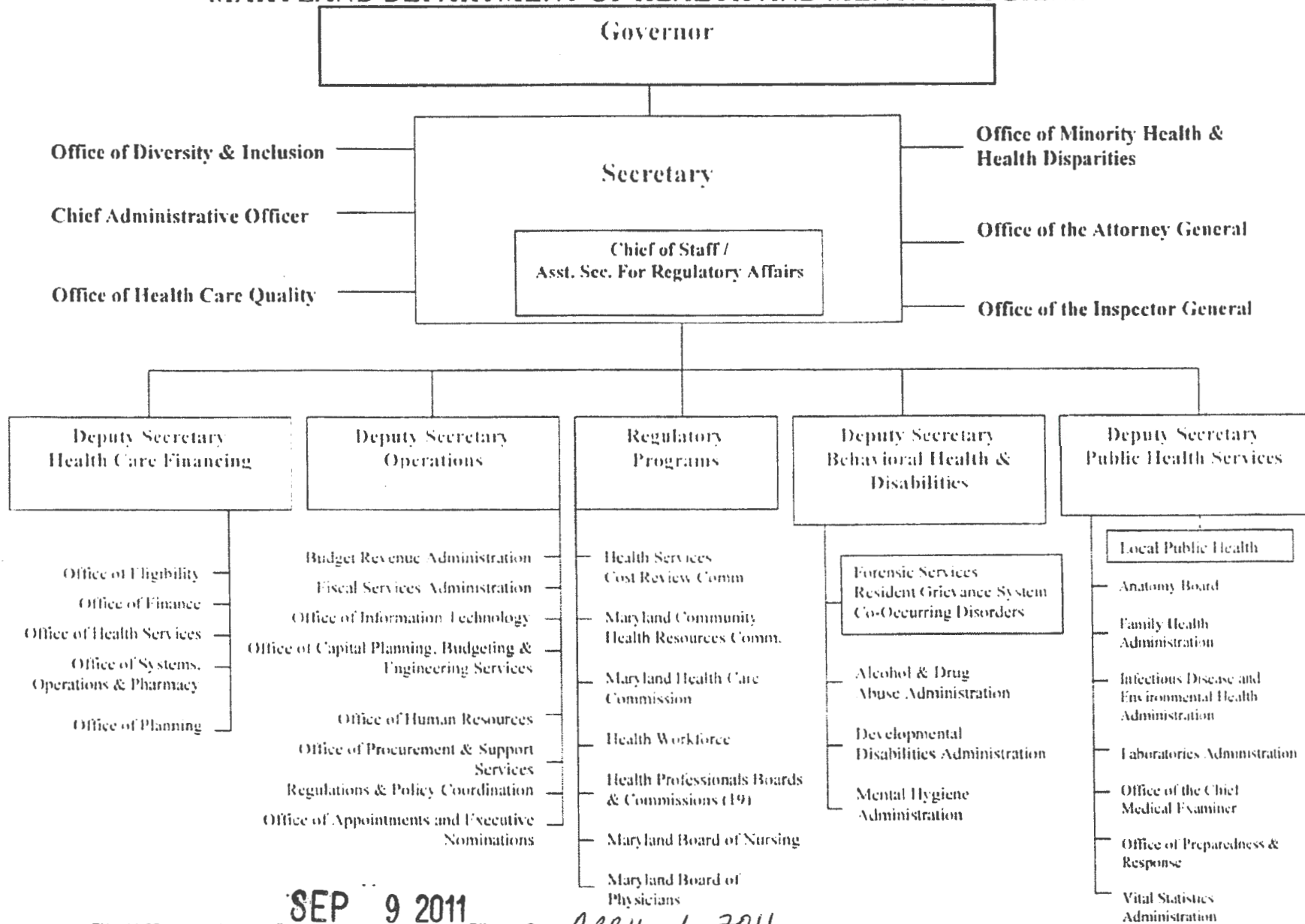
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**SEP 9 2011**

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APRIL 1, 2011

# MARYLAND DEPARTMENT OF HEALTH AND MENTAL HYGIENE



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STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT  
MEDICAL ASSISTANCE PROGRAM

State of Maryland

**MARYLAND MEDICAL ASSISTANCE PROGRAM**

Under the provisions of Title XIX of the Social Security Act, the statewide Maryland Medical Assistance Program covers a broad range of medical care services to low income persons. It insures more than one in seven Marylanders.

Maryland Medical Assistance covers low-income families, children, pregnant women, individuals with disabilities, and individuals age 65 and older. Under the HealthChoice Waiver under Section 1115 of the Social Security Act, Maryland also covers low income adults who do not fall into one of these groups as long as their income is under 116 percent of the federal poverty level.

The Program covers a broad array of services under its State Plan. These include physician, nurse practitioner, and nurse midwife services in the office, home, nursing home and hospital; inpatient and outpatient services provided by hospitals; services in clinics; diagnostic and laboratory services; dental care for children, pregnant women, and certain disabled adults; home health services; transportation services; specialty mental health and substance abuse services; prescribed drugs; nursing facility services; services through the Early and Periodic Screening, Diagnosis, and Treatment Program; personal care; and certain medical equipment and supplies.

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**DEPUTY SECRETARY FOR HEALTH CARE FINANCING**  
**Program Description**

The Deputy Secretary for Health Care Financing is responsible, on behalf of the Secretary of the Department of Health and Mental Hygiene, for the successful operation of the Maryland Medical Assistance Program. The Deputy Secretary provides direction to the Office of Eligibility, Office of Health Services, the Office of Systems, Operations and Pharmacy, the Office of Planning and the Office of Finance. The Deputy administers the Maryland Medical Assistance Program and the Maryland Children's Health Program. In comparison to the general public, the population eligible for these Programs is characterized by poorer health and lower income. Children represent two-thirds of all beneficiaries on the Program. The health and economic status of the eligible population creates a greater need for services while presenting greater challenges to providing services. Access to medical care is one of multiple factors directly related to improved health.

The Deputy Secretary also collaborates with the agencies within the Department that are responsible for behavioral health, public health, and fraud and abuse functions. Some of the key administrations involved in these areas are described at the end of this section.

**OFFICE OF ELIGIBILITY SERVICES**  
**Program Description**

The Office of Eligibility Services is responsible for establishing, operating and maintaining eligibility services for Medical Assistance (Medicaid) and Maryland Children's Health Programs. Specific responsibilities of this office include: (1) developing and maintaining eligibility regulations, and designing eligibility policies and informal guidance implementing these regulations; (2) providing a statewide training curriculum to give eligibility workers at local health departments (LHD) and local departments of social services (LDSS) detailed and up-to-date knowledge of Medicaid eligibility rules and procedures; (3) working with the Department of Human Resources to ensure that Medicaid determinations at LDSS conform to federal and State law for Maryland citizens; (4) maintaining the master eligibility file and support for the Medicare Part B Buy-In program; (5) producing and issuing all Medical Assistance cards; (6) determining eligibility for the Home and Community-Based Services (HCBS) waivers, for Women with Breast and Cervical Cancer, and the Primary Adult Care Program (authorized by the HealthChoice demonstration waiver), and (7) administering premium billing and payment for the Working Disabled/EID Program included in the State Medicaid Plan.

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**OFFICE OF FINANCE**  
**Program Description**

The Office of Finance is charged with oversight responsibility for the establishment and maintenance of management systems, logistical support systems, and financial operations for the Maryland Medical Assistance Program. Responsibilities include financial analysis, preparation and monitoring of the budget, year-end closeout, rate setting for Managed Care Organizations (MCOs) under the HealthChoice waiver, as well as management and procurement functions for the Deputy Secretary for Health Care Financing. This program oversees the funding which reimburses providers under the Medical Assistance and the Maryland Children's Health Program.

Also included in the Office of Finance is the Legal Services unit, which provides legal representation in the courts and before administrative adjudicative bodies for the Deputy Secretary for Health Care Financing.

**OFFICE OF HEALTH SERVICES**  
**Program Description**

The Office of Health Services (OHS) manages the policy and compliance functions for the Medical Care Programs. It is divided into two major areas: the HealthChoice and Acute Care Administration and the Long Term Care and Community Support Services Administration. Policy and compliance functions are integrated through a variety of OHS activities, including the development and implementation of regulations to define covered services, provider qualifications, and provider payment rates. The Office of Health Services maintains the Medicaid State Plan and waiver agreements, which are required in order to obtain federal matching funds from the Centers for Medicare and Medicaid Services. Other OHS functions include performing preauthorization and fraud and abuse prevention activities, improvement initiatives, and program evaluation. Additionally, OHS interprets policies and regulations, resolves provider and recipient complaints, and participates in administrative hearings regarding appeals of Program determinations.

The Office of Health Services writes policy instruction statements for the Office of Systems and Operations to provide guidance on how to implement policy changes.

**OFFICE OF SYSTEMS, OPERATIONS AND PHARMACY**  
**Program Description**

The Office of Systems, Operations and Pharmacy (OSOP) provides operational support for the Program. It is composed of two major areas: Systems and Operations Administration and the Maryland Pharmacy Program. The primary goal of OSOP is to assure that eligible individuals receive the health care benefits to which they are entitled by providing critical operational support services to the providers that render medical services to these recipients. The Program develops and maintains a federally certified Medicaid Management Information System (MMIS) to pay claims submitted by enrolled providers, in a prompt and efficient manner, for health care services rendered to recipients. In addition, as a major function, this Program strives to minimize costs by exploring and pursuing possible third party liability sources for recovery of Medicaid payments or to cost avoid Medicaid payments and eliminate the need for recovery actions. The Maryland Pharmacy Program (MPP) is responsible for oversight and provision of pharmacy services for the Maryland Medicaid Program and the Maryland Primary Adult Care Program. This oversight includes policy, compliance and operational pharmacy issues.

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**OFFICE OF PLANNING**  
**Program Description**

The Office of Planning assists the Medical Assistance program managers in planning, developing and implementing priority projects. It provides information to program managers and policy makers on issues related to health care services, financing and regulation. The Office provides for the analysis and evaluation of existing programs. Throughout the year and during the Maryland Legislative Session, the Office coordinates federal and State legislative activities for the Medical Assistance Program and the Maryland Children's Health Program.

**MENTAL HYGIENE ADMINISTRATION**  
**Program Description**

The Mental Hygiene Administration within the Department of Health and Mental Hygiene oversees the Public Mental Health System by planning, setting policy, and allocating resources. To ensure that Marylanders receive appropriate treatment, the Administration provides mental health services in the community through core service agencies and through State institutions. As part of the Single State Agency, the Mental Hygiene Administration oversees specialty mental health services for the Medicaid program. This includes setting policy involving qualifications of providers, covered services, and establishing payment rates. In addition, they procure and oversee the Administrative Service Organization for specialty mental health services which is responsible for managing provider relations, approving services, and adjudicating claims.

**OFFICE OF THE INSPECTOR GENERAL**  
**Program Description**

The Office of the Inspector General has two main areas: Program Integrity and Division of Audits. Program Integrity addresses potential and actual fraud and abuse of DHMH programs, including Medicaid, by external providers and recipients. In pursuit of this goal, they maintain and support the Surveillance Utilization Review Subsystem (SURS) which is a sub-system of the Medicaid Management Information System. They also recover funds inappropriately paid and educate and train providers. The Division of Audits performs Medicaid internal audits to help minimize internal control risks. They also perform external audits and coordinate responses to external audit reports for the Medical Assistance Program. They also assure the Department complies with the Code of Conduct, Corporate Compliance policies, privacy policies, and the Health Insurance Portability and Accountability Act (HIPAA). The Division provides Corporate Compliance and HIPAA privacy training and investigates suspected misconduct, fraud, waste, and privacy violations by DHMH employees.

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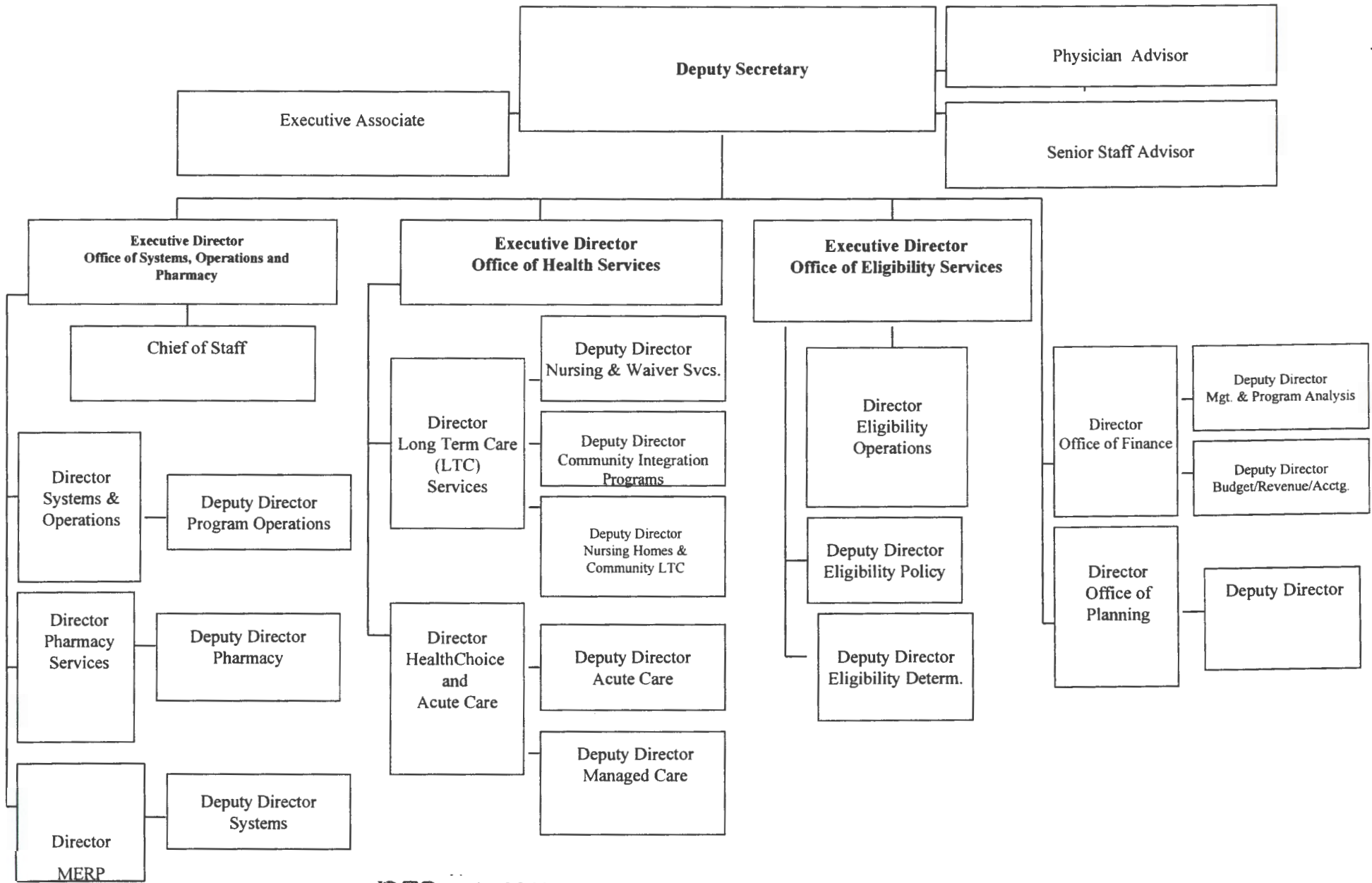
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# OFFICE OF THE DEPUTY SECRETARY FOR HEALTH CARE FINANCING



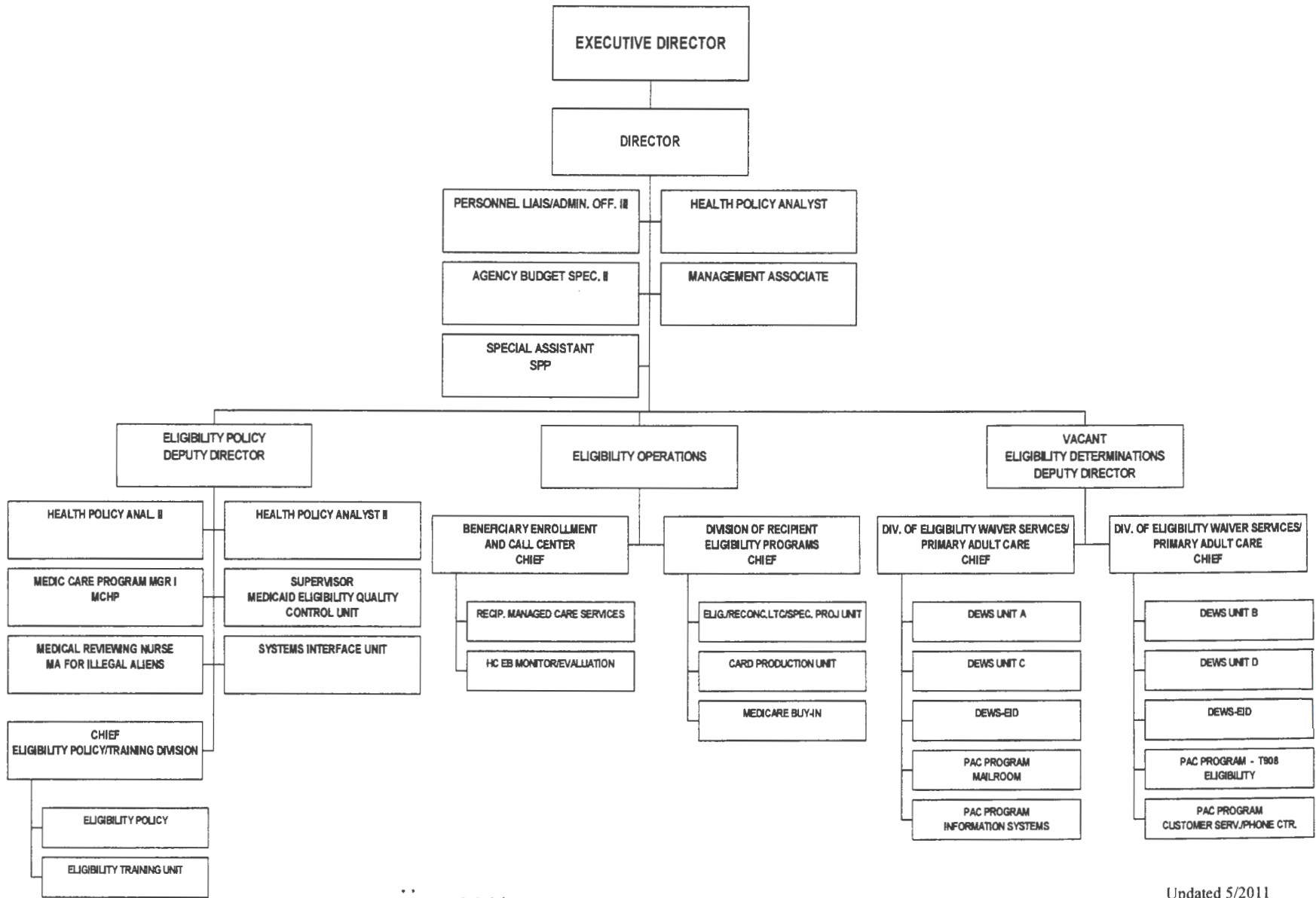
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# OFFICE OF ELIGIBILITY SERVICES MEDICAL CARE PROGRAMS



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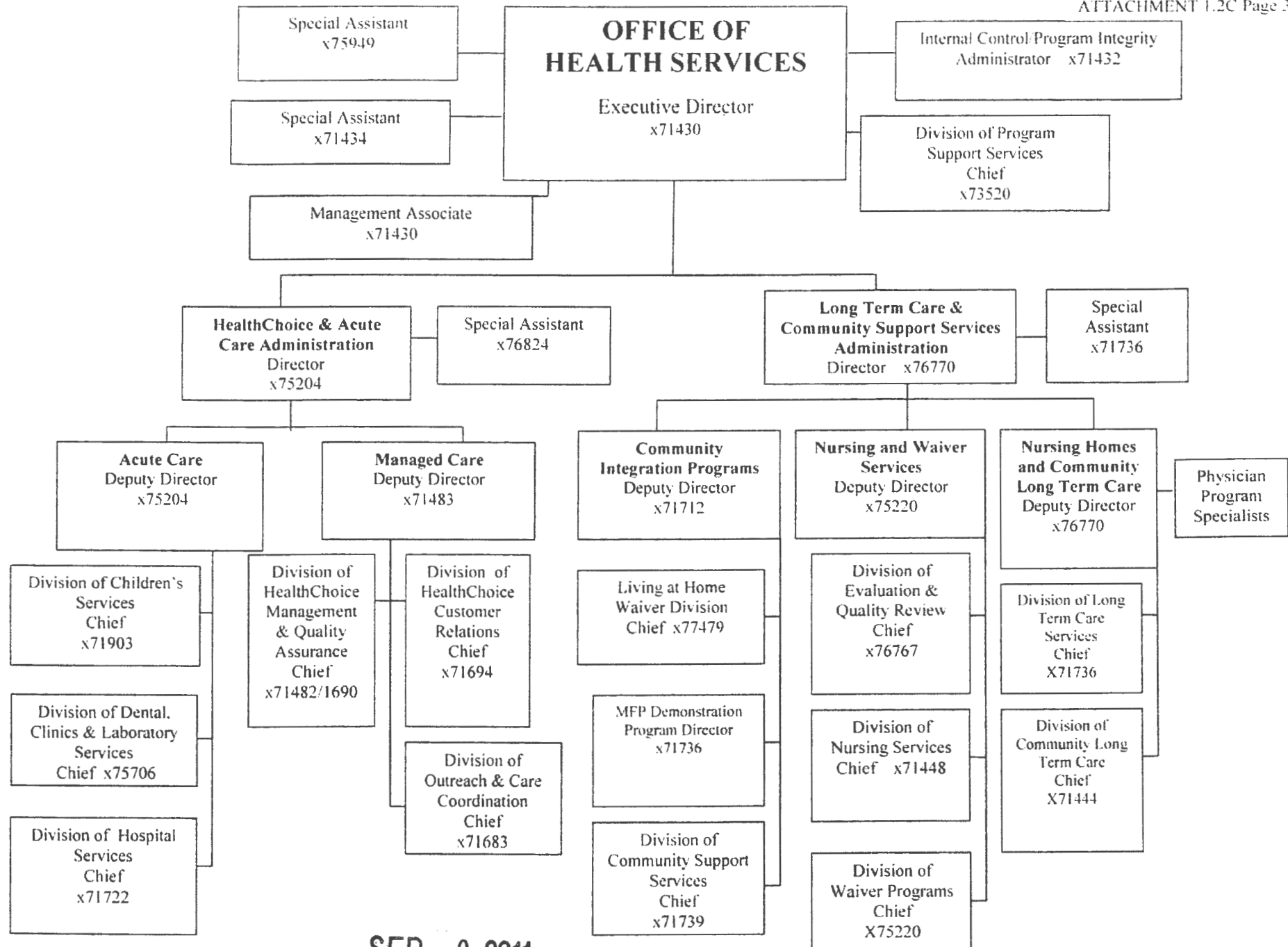
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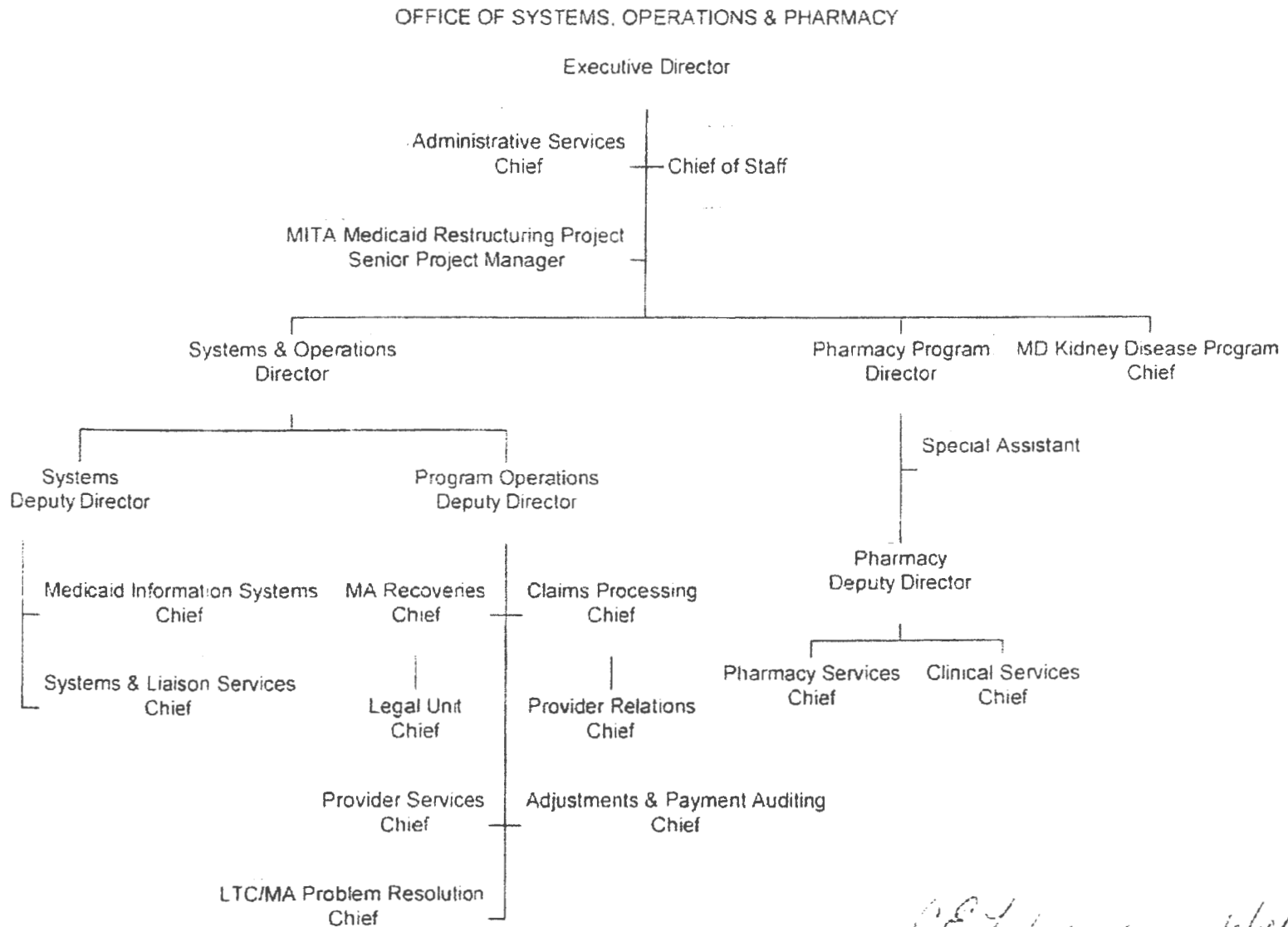


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# OFFICE OF SYSTEMS, OPERATIONS AND PHARMACY



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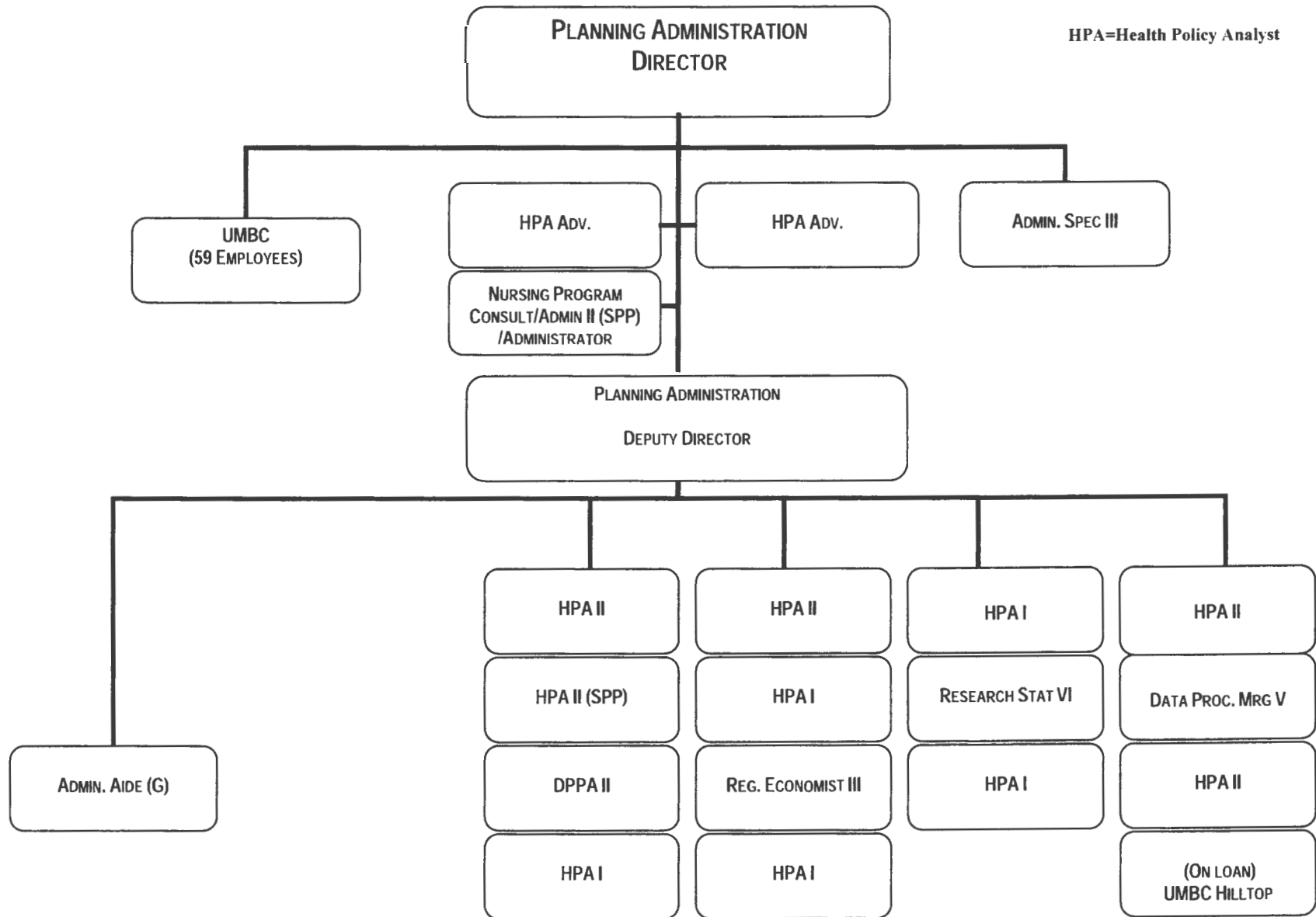
*Charles E. Lehman*

Charles E. Lehman, Executive Director

*6/10/11*

Date

## Deputy Secretary For Health Care Financing Planning Administration

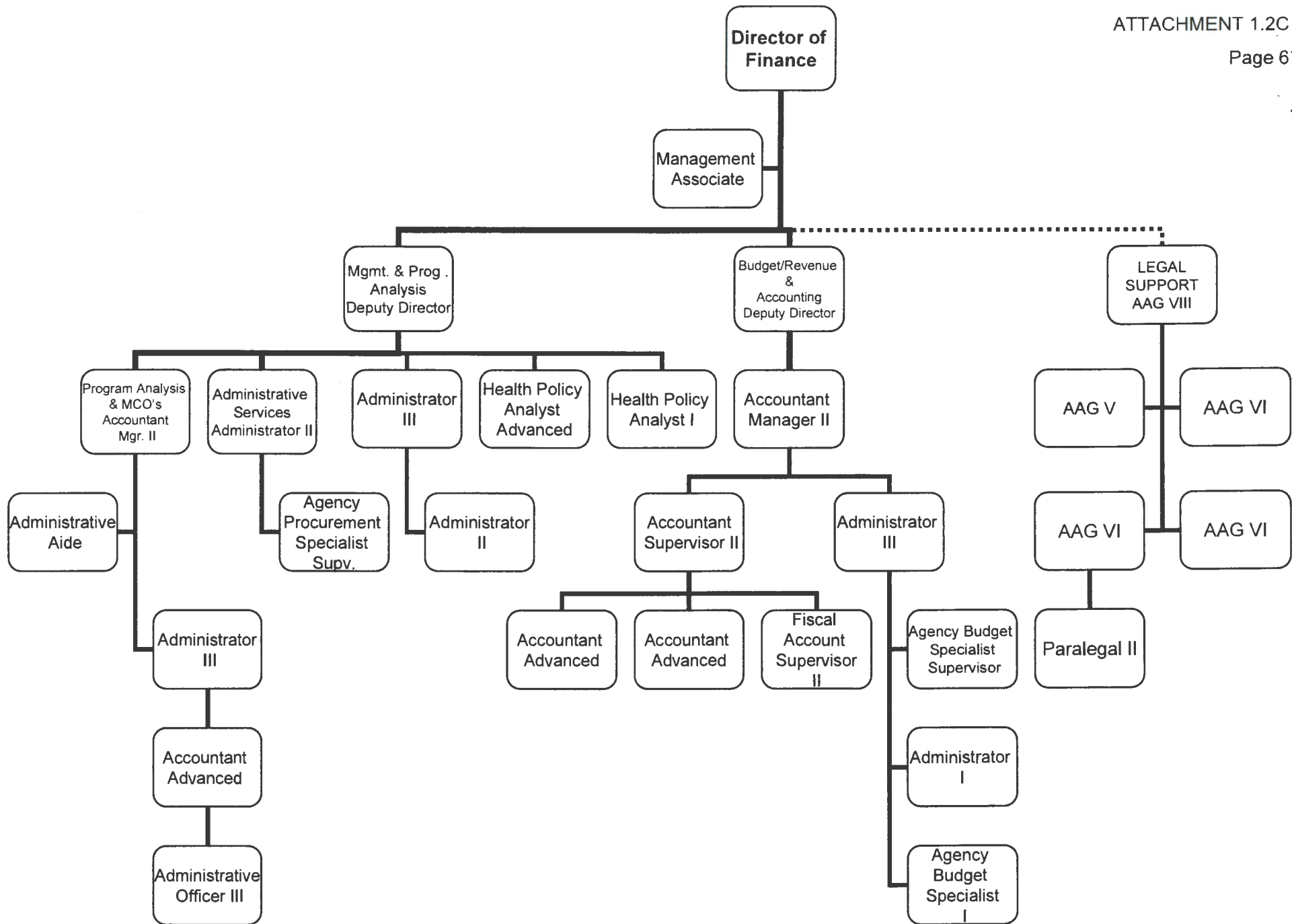


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ATTACHMENT 1.2D

For most Medical Assistance programs, eligibility determination is a function of the Family Investment Administration of the State Department of Human Resources (DHR). Each Local Department of Social Services (LDSS) in the twenty-three (23) counties of Maryland and Baltimore City has particular responsibility for certifying these individuals determined as eligible who reside within their political subdivision. For certain coverage groups including pregnant women and children or families, case managers within the Local Health Departments (LHD) have primary responsibility for eligibility determination. The LHD are solely responsible for eligibility determinations for the Title XXI Children's Health Insurance Program, operated as a Medicaid expansion.

LHD have the same Medical Assistance determination powers and functions as LDSS with respect to their populations, with the exception of performing spend-down calculation when needed for the single family-related coverage group added to their portfolio. LHD transfer these cases to LDSS at the point spend-down is found to apply. Similarly, LHD will transfer a case to LDSS after determining Medical Assistance or CHIP when the application also requests benefits from associated public programs. While LHDs cannot process applications for the Aged, Blind and Disabled coverage groups, LDSS are permitted perform CHIP determinations.

The critical difference between LDSS and LHD is speed of access to benefits: LHD are subject to a 10-day processing limit (as opposed to 30 days for LDSS). Also, under "Accelerated Certification of Eligibility" or "ACE," LHD complete "presumptive" applications for pregnant women or children within 3 days. [Due to infant mortality concerns, the LDSS also have been required to make accelerated determinations for pregnant women.] For record-keeping reasons, LDSS transfer Medicaid-only cases for pregnant women and children to LHD, including final determinations for pregnant women that LDSS have ACE. To ensure access for cases with associated benefits, the LHD will cooperate with the LDSS when both ACE and accelerated Supplemental Nutritional Program benefits are requested.

Eligibility determinations are made using a combination of manual and automated transactions maintained in the Client Automated Resource and Eligibility System (CARES), the automated eligibility system of record operated by DHR. These determinations and related information are transferred to the Medicaid Management Information System (MMIS) daily through overnight batch using an automated process.

The LDSS or LHD updates CARES, and through it MMIS, with all changes in status, income, and family situations that may affect eligibility are recorded. The local departments have direct electronic access to MMIS both prior to the eligibility determination and after to ensure that the eligibility determinations on MMIS have been transmitted accurately.

For certain state plan populations, eligibility is determined centrally at DHMH. Applicants and recipients for the premium program for Employed Individuals with Disabilities and Women's Breast and Cervical Cancer Health Program have eligibility determined by a central unit of case managers.

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