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SMDL #03-001

January 24, 2003

Dear State Medicaid Director:

This letter rescinds the December 20, 2002, State Medicaid Director letter related to the coverage of emergency services for Medicaid managed care enrollees. That letter indicated that the limitations on amount, duration, and scope regarding emergency services as specified in the state plan would apply in the same manner to managed care enrollees as to fee-for-service beneficiaries. The letter also removed requirements on managed care arrangements, that is, managed care organizations (MCOs), primary care case management systems (PCCMs), prepaid inpatient health plans (PIHPs), and prepaid ambulatory health plans (PAHPs) related to covering inpatient days and emergency room visits beyond the limitations specified in a State's plan.

We understand that the policy in the December 20 letter, while well-intentioned, may have some unintended consequences and result in some restriction of payment for true emergency care for Medicaid beneficiaries. I am therefore rescinding the December 20 letter.

The policies contained in the State Medicaid Director letter issued on April 18, 2000, remain in effect. MCOs and primary care case managers cannot place limitations on emergency room visits or covered inpatient days for emergency care that meet the prudent layperson standard in section 1932(b)(2) of the Social Security Act for Medicaid beneficiaries enrolled in MCOs, PIHPs, PAHPs, or PCCMs.

If you have any questions, please contact Richard Fenton at (410) 786-5647.

Sincerely,

/s/

Dennis G. Smith