



Center for Medicaid and State Operations

SMDL #02-020

December 20, 2002

Dear State Medicaid Director:

In our April 18, 2000 State Medicaid Director letter, we stated that the Balanced Budget Act requires that a Medicaid managed care enrollee be permitted to obtain emergency services immediately at the nearest provider when the need arises. We further stated that when the prudent layperson standard is met, no restriction may be placed on access to emergency care. Therefore, managed care organizations (MCOs) and primary care case managers (PCCMs) could not place visit limitations on Medicaid enrollee presentations to the emergency room.

Consistent with the policy set forth in the April 18, 2000, State Medicaid Director letter, we also required States, (as payers for PCCM programs), and MCOs to cover inpatient days for emergency services for managed care enrollees beyond any state plan-defined limits.

This letter is to inform you that CMS is removing both of these requirements on MCOs, PCCMs, prepaid inpatient health plans (PIHPs), and prepaid ambulatory health plans (PAHPs). Upon further review, we believe that the limitations on amount, duration, and scope regarding emergency services in the state plan will apply to managed care enrollees as well as all other beneficiaries. States occasionally amend their state plans to place limits on coverage of emergency services, to the extent appropriate, to facilitate more appropriate use of preventive and primary care in outpatient settings.

The Social Security Act makes no distinction in the definition of covered Medicaid services based on the system of delivery (see section 1905(a)), nor do state plans distinguish coverage requirements or limitations based on the delivery system. Therefore, the definition of state plan covered emergency services, including any limitations, should be applied uniformly to beneficiaries in fee for service and enrollees in managed care programs. We will assist you in amending your state plan, or any other applicable documents, in order to help you implement these changes.

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

Sincerely,

/s/

Dennis G. Smith
Director

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cc:

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