

**The Maryland Department of Health's  
Responses to the DLS FY 2019  
Medical Care Programs Administration Budget Analysis  
March 1, 2018 (Senate) and March 5, 2018 (House)**

*Add language concerning the submission of fiscal 2018 Joint Chairmen's Reports. (pg. 4, 51, 63)*

Reports were late due to internal review. The Department is reforming its report drafting and review process to ensure late submissions do not occur in the future. The Department apologizes for not sending an extension request to the General Assembly.

*Add language concerning repeat audit findings. (pg. 4, 51, 71)*

Overall, 12 of 15 findings are complete. Repeat findings are well along with 4 of 6 repeat findings complete and completion of the remaining two expected by the end of June.

The Department's Office of the Inspector General is independently validating the actions taken in response to the OLA audit and has expressed a high degree of confidence in the actions reported as complete. The OIG's validation efforts will continue over the next several months.

*Add language requesting a report on a broad-based plan to address Hepatitis C in Maryland. (pg. 4, 42, 52)*

The Department concurs. The Medical Assistance Program is currently engaged in a cross Departmental workgroup to develop a statewide plan to address Hepatitis C in Maryland. This plan is anticipated to be complete by July 1, 2018.

*Add language requesting a report on the Medicaid Program Business Process Consulting Diagnostic Services and Roadmap for Change. (pg. 4, 52)*

The Department concurs with providing the report but respectfully requests a deadline of November 1, 2018, because the vendor's report will not be complete until October.

*Add language requesting a report on the implementation of data matching and other enrollment verification initiatives. (pg. 4, 53)*

The Department concurs. The Department is communicating regularly with the Managed Care Organizations on these matters.

*Add language restricting Medicaid provider reimbursements to that purpose. (pg. 4, 54)*

The Department concurs.

***Amend language reducing general funds based on the availability of funding from the Maryland Trauma Physicians Services Fund. (pg. 4, 54) Amend a provision in the Budget Reconciliation and Financing Act of 2018 to increase the amount of special funds available to Medicaid from the Maryland Trauma Physicians Services Fund from \$8.0 million to \$10.0 million. (pg. 5, 32)***

The Department respectfully disagrees with the recommendation because a \$10 million transfer could almost entirely deplete the Maryland Trauma Physicians Services Fund's balance. Should revenue generated for the Fund in FY 2018 and FY 2019 is expended in full, the FY 2019 ending fund balance less the Governor's proposed \$8 million transfer and the additional \$2 million transfer would leave a FY 2019 ending balance of approximately \$400,000.

***Reduce general funds [\$3,350,000 million GF] based on the availability of special funds from the Cigarette Restitution Fund. (pg. 4, 54)***

The Department supports the Governor's budget as introduced.

***Reduce funding [\$28.8 million GF] based on the one-year suspension of the Affordable Care Act insurer fee in calendar 2019. (pg. 4, 30, 54)***

The Department respectfully disagrees with the recommendation. There are a number of different proposals being discussed to stabilize the individual market. Funding for some of these proposals require an assessment on MCOs.

***Add language authorizing a special fund budget amendment to transfer funding to support Medicaid provider reimbursements. (pg. 4, 54)***

The Department supports the Governor's budget as introduced.

***Reduce funding [\$8.1 million GF] based on the February 2018 settlement concerning the Medicaid Enterprise Restructuring Project. (pg. 4, 24, 55)***

The Department respectfully disagrees with the recommendation. We are still negotiating with the Centers for Medicare and Medicaid Services on their share of the recovery. It is premature to estimate the outcome.

***Add a provision to transfer \$15.0 million to the General Fund to reflect a surplus in the fiscal 2017 accrual account above that already assumed by the Administration in its fiscal 2019 budget plan. (pg. 5, 23)***

The Department concurs.

***Add a provision to require the Maryland Department of Health and the Health Services Cost Review Commission to develop, outside of the All-payer Model Contract, Medicaid-specific savings and total cost of care goals. (pg. 5)***

The Department concurs with the policy underlying this language. The Department was successful in the negotiations with CMMI to place a provision in the total cost of care (TCOC) Model contract that would accomplish this policy for individuals dually eligible for Medicaid and Medicare. These individuals are the only major population in Maryland Medicaid not in a managed model that presently sets total cost of care goals. The TCOC model language would require the State to come up with a program or strategy to link post-acute care and long term care that would address accountability for the Medicaid total cost of care. Coming up with this plan will meet the goals of the budget language and will do so in a way that is integrated with the TCOC model.

***The department should explain why the [Value-based Purchasing] regulations did not go through the regulatory process in a timely manner. (pg. 16)***

The Department respectfully disagrees with this assessment. The Value Based Purchasing regulations, COMAR 10.09.65.03B(3), were promulgated in the summer of 2017 and went through an internal administrative review process before being published in the Maryland Register on November 13, 2017 with a comment period ending December 13, 2017. No comments were received. Subsequent to the comment period, the final regulations were printed in the Maryland Register on February 2, 2018 with an effective date of February 12, 2018.