



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene
201 W. Preston Street • Baltimore, Maryland 21201

Martin O'Malley, Governor – Anthony G. Brown, Lt. Governor – Joshua M. Sharfstein, M.D., Secretary

**Maryland Medical Assistance Program
MCO Transmittal No. 86
June 30, 2011**

To: Managed Care Organizations
Hospitals in the District of Columbia

From: Susan J. 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: Change in Reimbursement to District of Columbia Hospitals
Effective July 1, 2011

In order to comply with the FY 2012 budget passed by the Maryland General Assembly, the HealthChoice managed care organizations (MCOs) are required to pay all DC hospitals the rate of reimbursement paid by the Maryland Medicaid fee-for-service program for all dates of service on or after July 1, 2011. The only exception to this methodology will be if an MCO executes a contract for a mutually agreed upon alternative rate arrangement on or after July 1, 2011.

Under the fee for service rate methodology, DC hospitals are paid on a percent of charges basis. There is a separate rate for inpatient and outpatient services for each of the facilities, based on cost data submitted annually by each hospital and adjusted for any budget initiatives.

If you have any questions, please contact James Miller, Office of Finance, at 410-767-5427.