



STATE OF MARYLAND

DHMH

Office of Health Services
Medical Care Programs

Maryland Department of Health and Mental Hygiene

201 W. Preston Street • Baltimore, Maryland 21201

Parris N. Glendening, Governor - Georges C. Benjamin, M.D., Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM
Medical Day Care Transmittal No. 42**

May 24, 2001

Medical Day Care Centers

FROM: Joseph M. Millstone *JMM*
Executive Director

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal.

Fiscal Year 2002 Per Diem Rate

In accordance with Regulation .09D under COMAR 10.09.07 Medical Day Care Services, per diem rates for medical day care providers are adjusted annually. Effective January 1, 1998 changes were made to the Consumer Price Index previously used. Medical Care Services is no longer available as a separate component and has been combined with other services and Medical Care Commodities into one major group, Medical Care. In addition, the Baltimore region is combined with the Washington region.

The CPI-U, Medical Care component, Washington-Baltimore, increased 2.0% between March 2000 and March 2001. The FY 2001 per diem rate (\$62.03) will be increased by this percentage and the new rate, effective July 1, 2001, will be **\$63.27**.

Medicaid reimbursement for medical day care services is not subject to cost settlement. However, in accordance with COMAR 10.09.07.09E, the payment to a provider may not exceed the lesser of the per diem rate (\$63.27, effective July 1, 2001) or the provider's customary charge to the general public. This means that a provider may not bill for the Medicaid per diem rate for any recipient if there are private pay participants for whom the provider charges less than the Medicaid per diem rate for the same service, unless based upon an approved sliding fee schedule. Providers who

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elect to use a sliding fee schedule should continue to follow the guidelines in Medical Day Care Transmittal No. 25 dated January 12, 1989. Regardless of whether a provider uses a sliding fee schedule, any provider who chooses to set its private charge below the Medicaid rate must bill Medicaid no more than its private charge.

Questions regarding this transmittal should be directed to the Medical Day Care Specialist at 410-767-1444.

JMM

cc: League for Excellence in Adult Day Care
Maryland Association for Adult Day Services