



STATE OF MARYLAND
DHMH

PT 24-2K

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

Hospital Transmittal No. 174

June 30, 2000

TO: Hospital Administrators

FROM: Joseph M. Millstone, 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: Balance billing of emergency room services.

This transmittal will clarify the responsibility of hospital emergency service providers regarding the "balance billing" of Medicaid recipients enrolled in a Managed Care Organization for non-authorized or non-emergency services.

Section 1916(a) of Title 19 of the Social Security Act prohibits the imposition of cost sharing with respect to emergency services. The State of Maryland Medical Assistance Program also prohibits cost sharing or "balance billing" of a Medicaid recipient for services. Medicaid Provider regulations (COMAR 10.09.36) indicate that Medicaid providers agree to "Accept payment by the Program as payment in full for covered services rendered and make no additional charge to any person for covered services".

At issue is the circumstance in which an enrolled HealthChoice recipient accesses emergency services without preauthorization from the MCO. As detailed in HealthChoice Transmittal # 2, an MCO is required to reimburse a hospital facility for medical screening services rendered to meet the requirements of the Federal Medical Treatment and Active Labor Act. No preauthorization is required.

Claims that are denied by an MCO as non-emergency cannot be balanced billed to the recipient unless the recipient knowingly chooses to be served by the provider, without the necessary preauthorization or referral, or requests an uncovered service. In non-emergency

situations the provider must obtain a consent form signed by the recipient or legal guardian, clearly stating that the recipient is on Medical Assistance and is knowingly choosing to be seen, even though EVS indicates that the recipient is enrolled in an MCO or their assigned MCO tells them it is an unauthorized procedure/visit and not covered under the Medical Assistance Program.

Some hospital providers are relying on §19-712.5(e) of the Health General Article, “payments from Member/Subscriber for Non-emergency services”, as authorization to “balance bill” HealthChoice members directly for non-emergency services. The above referenced Health General citation is the state law governing non-government HMO’s in the State of Maryland. A hospital facility may not “balance bill” a Medicaid recipient for services for which the recipient did not knowingly agree to be responsible.

Please refer any questions regarding this transmittal to the staff specialist for hospital services at (410) 767-1478.