Secretary Mike Leavitt
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D. C. 20201

Dear Secretary Leavitt,

I am pleased to send you the State of Maryland's application for Grant Funds for Establishment of Alternate Non-Emergency Services Providers (HHS-2008-CMS-ANESP-0005). Working with the Centers for Medicare and Medicaid Services (CMS) and many partners statewide, we would use these funds to develop programs that will create coordinated care management systems, partnered with community resources to expand alternatives to emergency room use.

The State recognizes the potential savings associated with reduced inappropriate emergency room use. Maryland's unique all-payer hospital waiver builds in allowances for the provision of uncompensated care into the State's regulated hospital rates, creating quasi-coverage for the uninsured. This amount could be significantly reduced through the implementation of the proposed project. Our proposal focuses on an improved information infrastructure and redirection of care to effectively reduce costs and improve care. The proposed initiative will engage a complex system of stakeholders, including the Maryland Department of Health and Mental Hygiene, the Health Services Cost Review Commission (HSCRC), local health departments, community partners and acute care hospitals. We have also enclosed a letter from the HSCRC expressing their support of the proposed initiative.

Again, we appreciate the opportunity to submit this proposal and look forward to working with CMS to implement these initiatives. Please do not hesitate to contact Tricia Roddy at 410-767-5809 should you require additional information.

Sincerely,

John G. Folkemer
Deputy Secretary
Health Care Financing