

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S3-14-28
Baltimore, Maryland 21244-1850



Financial Management Group

March 29, 2023

Lynnette R. Rhodes, Esq.
Executive Director, Medical Assistance Plans
Department of Community Health
2 Peachtree St., 36th Floor
Atlanta, Georgia 30303

RE: State Plan Amendment (SPA) GA-22-0003

Dear Director Rhodes:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State Plan submitted under transmittal number (TN) 22-0003. This State Plan Amendment adjusts base per diem rates for Psychiatric Residential Treatment Facility (PRTF) services rendered to persons under age 21 as follows: PRTFs will be reimbursed at provider-specific prospective rates based on the SFY 2020 or more recently available cost reports, including a 5% inflation factor and removing a cost cap provision. The per diem rate for children with a co-occurring diagnosis of autism will be at prospective rates based on 2020 or more recently available cost reports specific to service delivery of children with co-occurring diagnoses. The amendment also removes a utilization standard of 90% operation capacity.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State Plan Amendment GA-22-0003 is approved effective January 14, 2022. The CMS-179 and the amended plan pages are attached.

If you have any questions or need further assistance, please contact James Francis at 857-357-6378 or via email at James.Francis@cms.hhs.gov.

Sincerely,

A handwritten signature in cursive script that reads "Rory Howe".

Rory Howe
Director

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR
OTHER TYPES OF CARE OR SERVICE

W. Inpatient Psychiatric Facility Services (Psychiatric Residential Treatment
Facility Services)

For claims with dates of service July 1, 2008, through December 31, 2018, Psychiatric Residential Treatment Facilities (PRTFs) will be reimbursed at provider specific prospective rates based on 2006, or more recently available cost reports, not to exceed the maximum amount of \$370 per day (the cap). PRTFs will be reimbursed at a provider-specific, prospective per diem rate based on allowable costs as reported on the provider's Fiscal Year 2006, or more recent, cost reports filed with the Department of Community Health (DCH).

Effective January 1, 2019, PRTFs will be reimbursed at provider specific prospective rates based on 2017, or more recently available cost reports, not to exceed the maximum amount of \$407 per day (the cap). PRTFs will be reimbursed at a provider-specific, prospective per diem rate based on allowable costs as reported on the provider's Fiscal Year 2017, or more recent, cost reports filed with the DCH.

Effective January 1, 2019, for members with a co-occurring diagnosis of autism, PRTFs will be reimbursed at prospective rates based on 2017, or more recently available cost reports, not to exceed the maximum amount of \$440 per day (the cap). PRTFs will be reimbursed at a prospective per diem rate based on allowable costs as reported on the Fiscal Year 2017, or more recent, cost reports filed with the DCH Annual reporting of audited allowable costs and utilization data adjusted to 90% of licensed capacity is used to find the program specific per-diem costs. DCH will apply the utilization standard of 90% of operational capacity for those PRTFs demonstrating appropriate staff to child ratios as described in Section 600.5.B. of the provider manual (Part II: Policies and Procedures for Psychiatric Residential Treatment Facilities).

Effective January 14, 2022, PRTFs will be reimbursed at provider specific prospective rates based on the 2020, or more recently available cost reports. Cost caps that limit the reimbursement rates have been removed. A five percent inflation factor will be added to the reimbursement rates. For members with a co-occurring diagnosis of autism, PRTFs will be reimbursed at prospective rates based on 2020, or more recently available cost reports, specific to service delivery of children with co-occurring diagnoses. Cost reports filed with the DCH annually are subject to auditing. Utilization standard of 90% operation capacity have been removed.

To ensure sufficient access and provider stability, in the event that a PRTF's provider specific rate as calculated utilizing its most recent cost report decreases by more than 25% from its prior rate, DCH will reimburse the PRTF at its prior rate.

New PRTF providers may submit per diem rate proposals based on budgeted estimates so long as these estimates are no greater than the median of rates then in effect. Upon notice of the provider specific rate, providers will have 30 days to appeal their new rates based on the submission of an amended cost report.

PRTFs shall submit a cost report annually using a uniform cost report form prescribed by DCH and supported by the facilities most recent certified financial audit. Cost reports are used as the basis for rate setting as well as establishing documentary support for federal reimbursement.

The definitions for allowable and unallowable costs and expenditures for federal claiming are based on federal criteria. Cost principles defining allowability for non-governmental entities follow Medicare reimbursement principles in the CMS Provider Reimbursement Manual (PRM 15-I).

Allocation of reasonable costs to the program shall be supported by approved methodology and documentation retained by the reporting agency.

Cost reports are subject to federal and state audit.