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**MAR 07 2013**

Stephen M. Groff  
Deputy Director  
Division of Medicaid and Medical Assistance  
P.O. Box 906  
New Castle, DE 19720-0906

RE: DE SPA 12-013

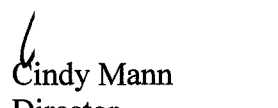
Dear Mr. Groff:

We have completed our review of State Plan Amendment (SPA) 12-013. This SPA modifies Attachment 4.19-A of Delaware's Title XIX State Plan. Specifically, SPA 12-013 changes the reimbursement methodology for inpatient psychiatric services for children under 21 and places them correctly in Attachment 4.19A.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving Medicaid State plan amendment 12-013 with an effective date of January 1, 2013. Enclosed are the HCFA-179 and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely,

  
Cindy Mann  
Director,  
Centers for Medicaid & CHIP Services

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:  
SPA #12-013

2. STATE  
DELAWARE

**FOR: HEALTH CARE FINANCING ADMINISTRATION**

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE  
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR  
HEALTH CARE FINANCING ADMINISTRATION  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE  
JANUARY 1, 2013

5. TYPE OF PLAN MATERIAL (*Check One*):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate Transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION:

Social Security Act §1902(a)(13)(A)  
42 CFR Part 447  
42 CFR §447.205

7. FEDERAL BUDGET IMPACT:

a. FFY 2013      \$ 26,714  
b. FFY 2014      \$ 53,169

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

ATTACHMENT 4.19-A.1

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (*If Applicable*):

ATTACHMENT 4.19-A.1

10. SUBJECT OF AMENDMENT: **PAYMENT METHODOLOGY FOR INPATIENT HOSPITAL PSYCHIATRIC SERVICES**

11. GOVERNOR'S REVIEW (*Check One*):

- GOVERNOR'S OFFICE REPORTED NO COMMENT  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:  
Governor's comments under separate  
correspondence

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

Stephen M. Groff, Deputy Director, Division of Medicaid and  
Medical Assistance

14. TITLE: Designee for Rita M. Landgraf, Secretary, Delaware  
Health and Social Services

15. DATE SUBMITTED:

December 19, 2012

16. RETURN TO:

Stephen M. Groff  
Deputy Director  
Division of Medicaid and Medical Assistance  
P.O. Box 906  
New Castle, Delaware 19720-0906

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

18. DATE APPROVED: **MAR 07 2013**

**PLAN APPROVED - ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL:

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPED NAME:

22. TITLE: /

23. REMARKS:

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: **DELAWARE**

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES  
INPATIENT PSYCHIATRIC HOSPITAL CARE

Reimbursement for public psychiatric hospitals is a prospectively set per diem rate based on annual reported allowable costs, using Medicare cost principles codified 42 CFR 413 and in the Medicare Provider Reimbursement manual (CMS-Pub.15) and consistent with OMB Circular A-87. The rate is computed by determining the previous year's total allowable cost divided by the total number of patient bed days. The rate is recalculated annually for the reimbursement year (October 1 through September 30) and inflated using the inflation indices described in Attachment 4.19-D under the heading Inflation Adjustment. The per diem rate is not cost settled but is limited to the upper payment limit defined below.

Reimbursement for private psychiatric hospitals for inpatient psychiatric hospitalization services is paid as a per diem equal to 93% of the Medicare Inpatient Psychiatric Facilities Prospective Payment System (IPF PPS) rate for Delaware.

Reimbursement for inpatient psychiatric hospitalization shall not exceed the upper limit as defined at 42 CFR 447.272. The upper limit is defined as the Medicare IPFPPS rate for Delaware inpatient psychiatric facilities.

No supplemental payments are made for public or private inpatient psychiatric hospital services.

Except as otherwise noted in the plan, State-developed fee schedule rates are the same for both government and private providers. The fee schedule and any annual/periodic adjustments to the fee schedule are available on the DMAP website at: <http://www.dmap.state.de.us/downloads>.

TN No. **SPA #12-013**  
Supersedes  
TN No. **SP-310**

Approval Date MAR 07 2013

Effective Date **January 1, 2013**