Table of Contents

State/Territory Name: Georgia

State Plan Amendment (SPA) #: 19-0004

This file contains the following documents in the order listed:

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850

Financial Management Group

April 1, 2019

Mr. Blake T. Fulenwider
Deputy Commissioner
Chief, Division of Medical Assistance Plans
Georgia Department of Community Health
2 Peachtree Street, NW, 36th floor
Atlanta, GA 30303-3159

RE: Georgia State Plan Amendment 19-0004

Dear Mr. Fulenwider:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number 19-0004. Effective January 1, 2019 this amendment proposes to increase the rates for Psychiatric Residential Treatment Facilities. The proposed rate increase has two parts: (1) a per diem rate increase for existing facilities, and (2) an established per diem rate for children with a co-occurring diagnosis of autism. Rates will be based on facility cost reports.

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. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of January 1, 2019. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please call Anna Dubois at (850) 878-0916.

Sincerely,

/s/

Kristin Fan
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 19-004	2. STATE GEORGIA
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE AND MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE: January 1, 2019	

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:	7. FEDERAL BUDGET IMPACT:
• 42 CFR 482.1 • 42 CFR 483.354 • 42 CFR 441.150 et seq.	• FFY 2019: $576,600 • FFY 2020: $809,438
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: • Edit pages 4.19 A, page 25-26 • Remove page 4.19 A, page 27 • Remove page 4.19 A, Exhibit C.1, Outlier Thresholds and Relative Weights • Remove page 4.19 A, Supplement 1, page 1	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*: • Edit pages 4.19 A, page 25-26

10. SUBJECT OF AMENDMENT: Georgia State Plan Amendment 19-004, Psychiatric Residential Treatment Facilities Rate Increase.

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:
Single State Agency Comments Attached

12. SIGNATURE OF STATE AGENCY OFFICIAL: /s/	16. RETURN TO: Department of Community Health Division of Medicaid 2 Peachtree Street, NW, 36th Floor Atlanta, Georgia 30303-3159
13. TYPED NAME: LYNNETTE RHODES	
14. TITLE: ACTING EXECUTIVE DIRECTOR, DIVISION OF MEDICAL ASSISTANCE PLANS	
15. DATE SUBMITTED: 01/14/19	

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED: 01/22/19	18. DATE APPROVED: 04/01/19
PLAN APPROVED – ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 01/01/19	20. SIGNATURE OF REGIONAL OFFICIAL: /s/
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMG

23. REMARKS:

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES FOR OTHER TYES 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.

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.

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).

Reimbursement is set at the lesser of cost or approved rate cap. These rates will be trended for inflation to the mid-point of each rate year (State fiscal year), based on the CMS Hospital Market Basket (Global Insight's Health Care Cost Service, Fourth Quarter Forecast for each rate year).Rates for PRTFs that do not have2017, or more recent, cost reports reflective of the provision of PRTF services will be based on the median rate of other PRTF providers then in effect and shall not exceed the $407 per day. These initial rates will be subject to cost settlement and will be established as the lesser of the cost-settled rate or the cap.

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 and shall not exceed the cap. 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.