

## **Table of Contents**

**State/Territory Name: Minnesota**

**State Plan Amendment (SPA) #: MN 17-0015**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

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



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**Financial Management Group**

Marie Zimmerman  
State Medicaid Director  
Minnesota Department of Human Services 540 Cedar Street  
P.O. Box 64983  
St. Paul, MN 55164-0983

APR 17 2018

RE: Minnesota State Plan Amendment (SPA) 17-0015

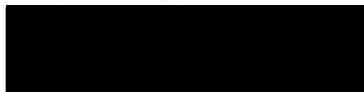
Dear Ms. Zimmerman:

We have reviewed the proposed amendment to Attachment 3.1-A, 3.1-B, 4.19-A, 4.19-B, and 4.19-C of your Medicaid state plan submitted under transmittal number (TN) 17-0015. Effective for services on or after January 1, 2018, this amendment provides services in a psychiatric residential treatment facilities (PRTFs) for children while they reside in a PRTF. Providers of services delivered to a child residing in PRTF are paid a per diem.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 17-0015 is approved effective January 1, 2018. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,



Kristin Fan  
Director

Enclosure

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTER FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER:  17-15	2. STATE  Minnesota
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	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)
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TO: REGIONAL ADMINISTRATOR CENTER FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE:  January 1, 2018
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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: Section 1905(a)(16) of the Act Code of Federal Regulations, Title 42, Subpart D	7. FEDERAL BUDGET IMPACT (in thousands): a. FFY '18 \$1,909 b. FFY '19 \$3,294
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 3.1-A, pages 61 – 61a Attachment 3.1-B, pages 60 – 60a Attachment 4.19-A, supplement 4, page 1 Attachment 4.19-B, page 53 Attachment 4.19-C, pages 1 – 3	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ): Attachment 3.1-A, pages 61 – 61a Attachment 3.1-B, pages 60 – 60a Attachment 4.19-B, page 53 Attachment 4.19-C, pages 1 – 3
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10. SUBJECT OF AMENDMENT:  
Services Provided in a Psychiatric Residential Treatment Facility (PRTF)

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

GOVERNOR'S OFFICE REPORTED NO COMMENT                       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO: Sean Barrett Minnesota Department of Human Services Federal Relations Unit PO Box 64983 St. Paul, MN 55164-0983
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13. TYPED NAME:  
Ann Berg

14. TITLE:  
Deputy Medicaid Director

15. DATE SUBMITTED:  
September 22, 2017

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:	18. DATE APPROVED: <b>APR 17 2018</b>
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**PLAN APPROVED – ONE COPY ATTACHED**

19. EFFECTIVE DATE OF APPROVED MATERIAL: <b>JAN 01 2018</b>	20. SIGNATURE OF OFFICIAL: 
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21. TYPED NAME: <b>Kristin Fan</b>	22. TITLE: <b>Director, FMC</b>
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23. REMARKS:

STATE: MINNESOTA  
Effective: January 1, 2018  
TN: 17-15  
Approved: **APR 17 2018**  
Supersedes: 00-11, 94-07

ATTACHMENT 3.1-A  
Page 61

16. Inpatient psychiatric facilities services for individuals under 22 years of age:

Services are covered for individuals who have reached age 21, but not age 22, only if an individual was receiving such services during the period immediately preceding the individual's 21st birthday. In these cases, services may be continued up to the date an individual no longer requires services or the date the individual reaches age 22, whichever date is earlier.

- o For recipients receiving services in a psychiatric hospital or a hospital with an inpatient psychiatric program, the same service limitations apply as specified in item 1, Inpatient hospital services. The facility must be licensed, and surveyed by the state to ensure it meets the requirements to participate in Medicare JCAHO accredited.
- o Effective January 1, 2017, services may also be provided to recipients residing in a psychiatric residential treatment facility (PRTF). A PRTF is a psychiatric facility licensed, accredited in accordance with 42 C.F.R. §§ 440.160 and 441.151, and enrolled with the Department. The following requirements must be met:
  - o The PRTF must satisfy all requirements in 42 C.F.R. Part 483, subpart G, related to restraint and seclusion;
  - o The PRTF may only admit recipients whose need for services has been certified as described in 42 C.F.R § 441.153;
- o Provider qualifications. Services are delivered by a multi-disciplinary team, employed or contracted by the facility that consists of a team leader and other treatment staff. The team is led by either:
  - 1) A board-eligible or board-certified psychiatrist,
  - 2) A doctoral-prepared, clinical psychologist and a physician, or
  - 3) A physician with specialized training and experience in diagnosis and treatment of mental illness, and a psychologist who has a master's degree in clinical psychology.

STATE: MINNESOTA  
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Supersedes: NEW

ATTACHMENT 3.1-A  
Page 61a

16. Inpatient psychiatric facilities services for individuals under 22 years of age:

The treatment team must also include at least one of the following:

- 1) A licensed independent clinical social worker (LICSW),
- 2) A registered nurse with specialized training, or one year of experience treating people with mental illness;
- 3) An occupational therapist, as described in item 11.b., with specialized training, or one year of experience treating people with mental illness; or
- 4) A board-licensed psychologist.

The treatment team must maintain a staffing ratio of at least one staff person to three residents during normal waking hours, and at least one staff person for every four residents during normal sleeping hours.

- o Covered services. Covered services include all medically necessary services covered under Medical Assistance and described in the recipient's plan of care. The treatment team must provide the following:

- Development of the individual plan of care, including review of the plan every 30 days;
- Daily therapy as described in the plan of care, including:
  - o Individual therapy provided at least two times per week;
  - o Family therapy provided at least one time per week; and
  - o Group therapy as appropriate;
- Consultation with other professionals including case managers, primary care professionals, community-based mental health providers, school staff, and other members of the child's support structure;
- Nursing care to patients 24 hours per day, and
- Discharge planning.

Services may also be provided under arrangement by licensed professionals who are not part of the treatment team, but have a contractual agreement with the PRTF. Arranged services may be delivered at the facility or in the community, and may be billed by either the facility or the licensed professional.

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Supersedes: 00-11, 94-07

ATTACHMENT 3.1-B  
Page 60

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16. Inpatient psychiatric facilities services for individuals under 22 years of age:

Services are covered for individuals who have reached age 21, but not age 22, only if an individual was receiving such services during the period immediately preceding the individual's 21st birthday. In these cases, services may be continued up to the date an individual no longer requires services or the date the individual reaches age 22, whichever date is earlier.

- o For recipients receiving services in a psychiatric hospital or a hospital with an inpatient psychiatric program, the same service limitations apply as specified in item 1, Inpatient hospital services. The facility must be licensed, and surveyed by the state to ensure it meets the requirements to participate in Medicare JCAHO accredited.
- o Effective January 1, 2017, services may also be provided to recipients residing in a psychiatric residential treatment facility (PRTF). A PRTF is a psychiatric facility licensed, accredited in accordance with 42 C.F.R. §§ 440.160 and 441.151, and enrolled with the Department. The following requirements must be met:
  - o The PRTF must satisfy all requirements in 42 C.F.R. Part 483, subpart G, related to restraint and seclusion;
  - o The PRTF may only admit recipients whose need for services has been certified as described in 42 C.F.R § 441.153;
- o Provider qualifications. Services are delivered by a multi-disciplinary team, employed or contracted by the facility that consists of a team leader and other treatment staff. The team is led by either:
  - 1) A board-eligible or board-certified psychiatrist,
  - 2) A doctoral-prepared, clinical psychologist and a physician, or
  - 3) A physician with specialized training and experience in diagnosis and treatment of mental illness, and a psychologist who has a master's degree in clinical psychology.

STATE: MINNESOTA  
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Supersedes: NEW

ATTACHMENT 3.1-B  
Page 60a

16. Inpatient psychiatric facilities services for individuals under 22 years of age:

The treatment team must also include at least one of the following:

- 1) A licensed independent clinical social worker (LICSW),
- 2) A registered nurse with specialized training, or one year of experience treating people with mental illness;
- 3) An occupational therapist, as described in item 11.b., with specialized training, or one year of experience treating people with mental illness; or
- 4) A board-licensed psychologist.

The treatment team must maintain a staffing ratio of at least one staff person to three residents during normal waking hours, and at least one staff person for every four residents during normal sleeping hours.

- o Covered services. Covered services include all medically necessary services covered under Medical Assistance and described in the recipient's plan of care. The treatment team must provide the following:
  - Development of the individual plan of care, including review of the plan every 30 days;
  - Daily therapy as described in the plan of care, including:
    - o Individual therapy provided at least two times per week;
    - o Family therapy provided at least one time per week; and
    - o Group therapy as appropriate;
  - Consultation with other professionals including case managers, primary care professionals, community-based mental health providers, school staff, and other members of the child's support structure;
  - Nursing care to patients 24 hours per day, and
  - Discharge planning.
- o Services may also be provided under arrangement by licensed professionals who are not part of the treatment team, but have a contractual agreement with the PRTF. Arranged services may be delivered at the facility or in the community, and may be billed by either the facility or the licensed professional.

STATE: MINNESOTA  
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Supersedes: NEW

Supplement 4 to ATTACHMENT 4.19-A  
Page 1

Methods and Standards for Determining Payment Rates for Services Provided by Psychiatric Residential Treatment Facilities as Described in Item 16 of Attachments 3.1-A and 3.1-B.

Providers of services delivered to a child residing in **psychiatric residential treatment facility (PRTF)** are paid a per diem. The per diem is a statewide rate and informed by annual cost reporting performed by the providers. Providers report costs using a state-developed cost report. The per diem includes costs for the following three components:

1. Allowable direct service expenditures. Direct service expenditures include, costs associated with the program's treatment team (salaries, training and fringe), service-related transportation, and costs for contracted staff participating on the treatment team. This does not include costs associated with services provided under arrangement.
2. Allowable administrative costs. Administrative costs include, but are not limited to, administrative staff costs (salary and fringe), insurance, professional dues, and supplies.
3. Allowable room and board costs. Room and board costs include all costs related to housing the recipient.

Effective for services provided on or after January 1, 2018, through June 30, 2019, the per diem is based on the average estimated costs reported by the providers after eliminating outliers. In subsequent years, the statewide per diem is informed by cost reporting using the actual experience of all providers during the previous calendar year. The Department recalculates the statewide per diem annually and implements the new rate July 1 of each year.

Therapeutic leave days, as described in Attachment 4.19-C, are paid at 75% of the established per diem rate.

Hospital leave days, as described in Attachment 4.19-C, are paid at 50% of the established per diem rate.

Services provided under arrangement to a recipient residing in a PRTF on or after January 1, 2018, will be reimbursed for the particular service as described in Attachment 4.19-B.

STATE: MINNESOTA  
Effective: January 1, 2018  
TN: 17-15 **APR 17 2018**  
Approved:  
Supersedes: 00-11, 97-21

ATTACHMENT 4.19-B  
Page 53

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16. Inpatient psychiatric facilities services for individuals  
under 22 years of age:

Payment for services received by recipient residing in a hospital are  
described in See Attachment 4.19-A.

Payment for services received by recipient residing in a psychiatric  
residential treatment facility are described in Supplement 4 to  
Attachments 4.19-A.

STATE: MINNESOTA

ATTACHMENT 4.19-C

TN: 17-15

Page 1

Effective: January 1, 2018

Approved: APR 17 2018

Supersedes: 17-07 (11-17, 03-19, 97-28, 94-21, 93-24)

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**PAYMENT FOR RESERVED BED DAYS**

Payment is made for leave days for hospital leave or therapeutic leave of a recipient who has not been discharged from the ICF/DD, psychiatric residential treatment facility (PRTF), or nursing facility (NF). A reserved bed must be held for a recipient on a hospital leave or therapeutic leave. Payment for leave days for recipients residing in a NF is equal to 30 percent of the nursing facility's total payment rate established for the applicable resident in accordance with Attachment 4.19-D. Payment for leave days for recipients residing in an ICF/DD is described in Attachment 4.19-D. Payment for leave days for recipients residing in a PRTF is described in Supplement 4 to Attachment 4.19-A.

**Leave day definition.** A leave day means any calendar day during which the recipient leaves the facility and is absent overnight, and all subsequent, consecutive calendar days. An overnight absence from the facility of less than 23 hours does not constitute a leave day. Nevertheless, if the recipient is absent from the facility to participate in active programming of the facility under the personal direction and observation of facility staff, the day shall not be considered a leave day regardless of the number of hours of the recipient's absences. For purposes of this definition, "calendar day" means the 24-hour period ending at midnight.

**Reserved bed definition.** A reserved bed means the same bed that a recipient occupied before leaving the facility for hospital leave or therapeutic leave, or an appropriately certified bed if the recipient's physical condition upon returning to the facility prohibits access to the bed he or she occupied before the leave.

**Required occupancy rate.** ICFs/DD with 25 or more licensed beds shall not receive payment for hospital leave days in a month for which the average occupancy rate of licensed beds is 93 percent or less. ICFs/DD with 24 or fewer licensed beds shall not receive payment for hospital leave days if a licensed bed has been vacant for 60 consecutive days prior to the first day of a hospital leave. NFs shall not receive payment for leave days in a month for which the average occupancy rate of licensed beds is less than 96 percent. For purposes of this paragraph, a reserved bed is not a vacant bed when determining occupancy rates and eligibility for payment of a leave day.

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ATTACHMENT 4.19-C

TN: 17-15

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Effective: January 1, 2018

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Supersedes: 17-07 (11-17, 03-19, 97-28, 94-21, 93-24)

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**PAYMENT FOR RESERVED BED DAYS**

**Therapeutic leave days.** A therapeutic leave is the absence of a recipient from an ICF/DD, a PRTF, or NF to (1) a camp meeting applicable licensure requirements of the Minnesota Department of Health, or (2) a residential setting other than a long-term care facility, a hospital, or other entity eligible to receive federal, state, or county funds to maintain a recipient, with the expectation that the recipient will return to the facility. Leave for a home visit or a vacation is a therapeutic leave.

The recipient's health record must document the date and time the recipient leaves the ICF/DD, PRTF, or NF and the date and time of return. The leave days must be reported on the invoice submitted by the ICF/DD, PRTF, or NF.

Coverage of therapeutic leave days is limited to:

- 36 days per calendar year for recipients receiving NF services.
- 72 days per calendar year for recipients receiving NF services in a facility licensed to provide services for the physically disabled.
- 72 days per calendar year for recipients receiving ICF/DD services. In addition, the Commissioner may approve up to 48 additional therapeutic Leave days if:
  - o the recipient or the recipient's legal representative requests additional therapeutic leave days;
  - o the case manager recommends that the leave is consistent with the goals of the recipient's individual service plan;
  - o an evaluation by the case manager demonstrates that home and community based services and other alternative services are not feasible; and
  - o all other state and federal requirements relating to therapeutic leave days are met.
- Three days per period of leave for recipients receiving services from a PRTF. The Commissioner may authorize additional leave days when medically appropriate.

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ATTACHMENT 4.19-C

TN: 17-15

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Effective: January 1, 2018

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Supersedes: 17-07 (11-17, 03-19, 97-28, 94-21, 93-24)

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**PAYMENT FOR RESERVED BED DAYS**

**Hospital leave days.** A hospital leave means the status of a recipient who has been transferred from the ICF/DD, PRTF, or NF to an inpatient hospital for medically necessary health care, with the expectation that the recipient will return to the ICF/DD, PRTF, or NF.

The recipient's health record must document the date and time the recipient was transferred to the hospital and the date and time of return to the ICF/DD, PRTF, or NF. The leave days must be reported on the invoice submitted by the ICF/DD, PRTF, or NF.

Coverage of hospital leave days for recipients residing in an ICF/DD or NF is limited to 18 consecutive days for each separate and distinct episode of medically necessary hospitalization. Coverage for recipients residing in a PRTF is limited to seven consecutive days for each separate and distinct episode. The Commissioner may authorize additional leave days when medically appropriate.