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**State/Territory Name:** Montana

**State Plan Amendment (SPA) #:** MT-16-0013

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 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**

**OCT 19 2016**

Ms. Mary E. Dalton  
State Medicaid Director  
Department of Public Health & Human Services  
P.O. Box 4210  
Helena, MT 59604

Re: Montana 16-0013

Dear Ms. Dalton:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 16-0013. Effective for services on or after July 1, 2016, this amendment updates the reimbursement methodology for psychiatric residential treatment facilities (PRTFs).



We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 16-0013 is approved effective July 1, 2017. The HCFA-179 and the amended plan pages are attached.

If you have any questions, please contact Christine Storey at (303) 844-7044.

Sincerely,



Kristin Fan  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>		1. TRANSMITTAL NUMBER: 16-0013	2. STATE Montana
<b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>		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 July 1, 2016	
5. TYPE OF PLAN MATERIAL (Check One):  <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR 441 Subpart D; 42 CFR 440.160		7. FEDERAL BUDGET IMPACT: a. FFY 2016 \$52,471 (3 months) b. FFY 2017 \$212,231 (12 months) c. FFY 2018 \$166,679 (9 months)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment 4.19D, Service 16, Pages 1-3 of 3 Service 16 Inpatient Psychiatric Services for Individuals under Age 21		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment 4.19D, Service 16, Pages 1-3 of 3 Service 16 Inpatient Psychiatric Services for Individuals under Age 21	
10. SUBJECT OF AMENDMENT: The purpose of this amendment is to update the fee schedule for the Psychiatric Residential Treatment Facility's bundled psychiatric service rate.			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED      Single State Agency Director review <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Montana Dept. of Public Health and Human Services Mary E. Dalton State Medicaid Director Attn: Mary Eve Kulawik PO Box 4210 Helena, MT 59604	
13. TYPED NAME: Mary E. Dalton			
14. TITLE: State Medicaid Director			
15. DATE SUBMITTED: 7-25-16			
<b>FOR REGIONAL OFFICE USE ONLY</b>			
17. DATE RECEIVED:		18. DATE APPROVED: OCT 19 2016	
<b>PLAN APPROVED - ONE COPY ATTACHED</b>			
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2016		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Kristin Fan		22. TITLE: Director, FMC	
23. REMARKS:			

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A. DIRECT CARE WAGE

The Direct Care Wage Supplemental Annual Payments provide additional funding paid to in-state Psychiatric Residential Treatment Facility (PRTF) providers, to increase the wages and benefits of their direct care workers. The intent is to enhance service delivery by supporting hiring and retention of qualified direct care staff.

The amount available to each provider is calculated as follows:

1. The number of Direct Care Workers (DCWs) reported by each provider per service type, is adjusted based on the percentage of Medicaid youth served by the provider in each service.
2. The adjusted number of DCWs per provider is then allocated as a percentage of the total number of Medicaid DCWs.
3. Based on the percentage of DCWs, each provider is allocated its share of appropriation to be distributed.
4.  $\text{Provider DCWs} \times \text{Medicaid percentage} / \text{Total Number of Medicaid DCWs} \times \text{Appropriation Amount } (\$389,348)$ .
5. The data are updated from the previous fiscal year, prior to payment. The provider certifies that funds expended and being requested for reimbursement are solely used for DCW wage rate increases paid or wage adjustments paid and related payroll benefit expenses.

B. MONTANA MEDICAID REIMBURSEMENT FOR PRTF

PRTF services must be authorized by the Department or the Department's utilization review contractor.

Reimbursement will be made to a PRTF provider for no more than 14 patient days per youth per State Fiscal Year for reserving a bed while the youth is temporarily absent for a Therapeutic Home Visit (THV). A THV is three days or less, unless authorized by the Department.

1. IN-STATE PRTF REIMBURSEMENT

a. In-State PRTF Bundled Per Diem Rate

The bundled per diem rate is a set fee. The bundled per diem rate was set as of July 1, 2016, and is effective for services on or after that date. All rates are published on the Department's website at [www.medicaidprovider.mt.gov](http://www.medicaidprovider.mt.gov). Unless otherwise noted in the State Plan, state developed fee schedule rates are the same for both governmental and private providers.

i. The in-state PRTF bundled per diem rate INCLUDES:

- Services, therapies and items related to treating the youth's psychiatric condition;
- Services provided by licensed psychologists, licensed clinical social workers and licensed professional counselors;
- Psychological testing;

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- Psychotropic medication and related lab services; and
  - Support services necessary for daily living and safety.
- ii. The in-state PRTF bundled per diem rate DOES NOT INCLUDE:
- Physician, psychiatrist and mid-level practitioner services;
  - Non-psychotropic medication and related lab services;
  - Mental health center evaluations for transition age youth to determine whether or not they qualify for adult mental health services and have Severe and Disabling Mental Illness (SDMI); and
  - Ancillary services as described in each specific State Plan service in Attachments 4.19B, whether these ancillary services are provided by the PRTF or by a different provider under arrangement with the PRTF.

Medicaid payment is not allowable for treatment or services unless provided in a hospital-based or free standing PRTF as defined in Service 16 of the Supplement to Attachments 3.1A and 3.1B of Montana Medicaid State Plan.

b. PRTF Assessment Service (PRTF-AS) Rate

PRTF-AS services are reimbursed at a higher rate than the bundled PRTF per diem rate. PRTF-AS services are provided by in-state PRTFs and are short-term lengths of stay of 14 days or less. The Department increased the daily PRTF rate 15% for assessment services to incentivize in-state PRTFs to evaluate youth with Serious Emotional Disturbance who have multiple and special treatment needs, and to offset the higher professional staff expenses in a short PRTF stay. Fifteen percent was a negotiated amount between the Department and providers.

If short-term PRTF-AS services will not meet the youth's needs, a regular PRTF authorization will be requested and the PRTF bundled per diem rate will be paid instead of the higher PRTF-AS rate.

c. Hospital-Based PRTF Continuity of Care Payment

In-state hospital-based PRTFs receive a continuity of care payment as defined in Montana Medicaid State Plan 4.19A.

2. OUT-OF-STATE PRTF REIMBURSEMENT

Out-of-state PRTFs will be reimbursed 50% of their usual and customary charges and will not exceed 100% of the cost of doing business. Services included in the out-of-state PRTF bundled per diem rate are effective July 1, 2016.

a. The out-of-state PRTF bundled per diem rate INCLUDES:

- i. All services, therapies and items related to treating the youth's condition, unless specifically noted;

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- ii. Services provided by physicians, psychiatrists, mid-level practitioners, licensed psychologists, licensed clinical social workers and licensed professional counselors;
  - iii. Psychological testing;
  - iv. Pharmacy and lab services; and
  - v. Support services necessary for daily living and safety.
- b. The out-of-state PRTF bundled per diem rate DOES NOT INCLUDE:
- i. Montana mental health center evaluations for transition age youth to determine whether or not they qualify for adult mental health services and have a SDMI; and
  - ii. Ancillary services as described in each specific State Plan service in Attachments 4.19B, provided by a different provider under arrangement with the PRTF.