

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
150 S. Independence Mall West
Suite 216, The Public Ledger Building
Philadelphia, Pennsylvania 19106-3499



Region III/Division of Medicaid and Children's Health Operations
SWIFT # 060720164174

August 8, 2016

Theodore Dallas
Secretary of Human Services
Department of Human Services
Room 333, Health & Welfare Building
P.O. Box 2675
Harrisburg, Pennsylvania 17105-2675

Dear Secretary Dallas:

The Centers for Medicare & Medicaid Services (CMS) has completed its review of Pennsylvania's State Plan Amendment (SPA) Transmittal Number 16-0022, "Mental Health Rehabilitation and Targeted Case Management." SPA PA-16-0022 amends Attachment 4.19B, pages 9 and 11, "Methods and Standards for Establishing Payment Rates - Other Types of Care," as outlined in the Corrective Action Plan submitted to CMS by the Pennsylvania Department of Human Services on March 8, 2016 (CAP). The CAP was submitted in response to the companion letter that accompanied the approval of SPA PA-15-0011, "Alignment of Categorically Needy and Medically Needy Benefits." SPA PA-16-0022 updates the payment methodology for Mental Health Rehabilitative Services by including effective date language. SPA PA-16-0022 also updates the payment methodology for Targeted Case Management Services for Individuals with Severe Mental Illness by including references to provider qualifications and services.

This SPA is approved with an effective date of April 1, 2016. Enclosed are:

1. The CMS Summary Page (CMS-179 form); and
2. The approved State Plan pages for PA-16-0022.

If you have any questions concerning this SPA, please contact Mary McKeon at 215-861-4181.

Sincerely,

Francis T.

Mccullough -S

Francis McCullough

Associate Regional Administrator

Digitally signed by Francis
T. Mccullough -S
Date: 2016.08.08 10:27:39
-04'00'

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

1. TRANSMITTAL NUMBER:
16-0022

2. STATE
Pennsylvania

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
April 1, 2016

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 1927 of the Social Security Act

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 \$0.00
b. FFY 2017 \$0.00

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Page 9 of Attachment 4.19B
Page 11 of Attachment 4.19B

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

Page 9 of Attachment 4.19B
Page 11 of Attachment 4.19B

10. SUBJECT OF AMENDMENT:

Updates to 4.19B Payment Methodologies

*Mental Health Rehabilitation and
Targeted Case Management*

*7.27.16
pen & ink changes
authorized by PA
in its RAI Responses
Mary McKern*

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: Review and
approval authority has been delegated
to the Department of Public Human Services

12. SIGNATURE OF STATE AGENCY OFFICIAL:
/s/

13. TYPED NAME:
Theodore Dallas

14. TITLE:
Secretary of Human Services

15. DATE SUBMITTED:
JUN - 6 2016

16. RETURN TO:
Commonwealth of Pennsylvania
Department of Human Services
Office of Medical Assistance Programs
Bureau of Policy, Analysis and Planning
P.O. Box 8046
Harrisburg, Pa. 17105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED

18. DATE APPROVED: August 8, 2016

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
April 1, 2016

20. SIGNATURE OF REGIONAL OFFICIAL:
/s/

21. TYPED NAME:
Francis McCullough

22. TITLE:
Associate Regional Administrator

23. REMARKS

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE

TARGETED CASE MANAGEMENT SERVICES FOR INDIVIDUALS WITH SEVERE MENTAL ILLNESS

Rates for Targeted Case Management Services for Individuals with Severe Mental Illness (TCM-SMI) are established by the Department of Human Services (Department). In developing rates for TCM-SMI, the Department considers the expected expenses for the delivery of the services for the major allowable cost categories listed below:

- Wages for staff
- Employee-related expenses
- Productivity
- Program indirect expenses
- Administration-related expenses

For dates of service on or after October 1, 2015, the agency's rates for TCM-SMI are published on the agency website at:

http://www.dhs.pa.gov/publications/forproviders/remittanceadvicealerts/promisebannerpages/C_209662#.Vz3ptPk_rKUK.

The rate shall be paid for each unit of service provided. The unit of service shall be a quarter hour of service or major portion thereof.

Deliverable services and provider qualification criteria for TCM-SMI are outlined in Supplement 2 to Attachment 3.1A/3.1B, pages 1-5.

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - OTHER TYPES OF CARE

26. **Mental Health Rehabilitation Services** – Payment rates for mental health rehabilitation services are listed in the Medical Assistance Program Fee Schedule, which is posted on the Department's website at: <http://www.dhs.pa.gov/publications/forproviders/schedules/mafeeschedules/index.htm>. Subsequent adjustments to the fee schedule are announced by public notice published in the Pennsylvania Bulletin.

Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers of mental health rehabilitation services. The agency's fee schedule rates were last updated on July 1, 2015, and are effective for dates of service on and after that date.

- (I) **Family-Based Mental Health Rehabilitative Services**
- (II) **Mental Health Crisis Intervention Services**
- (III) **Mobile Mental Health Treatment**
- (IV) **Peer Support Services**

State agency fee schedule based on established criteria.*