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## **Table of Contents**

**State/Territory Name:** Wyoming

**State Plan Amendment (SPA) #:** WY-14-011

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



JUN 11 2014

Ms. Teri Green  
State Medicaid Agent  
Office of Health Care Financing  
6101 Yellowstone Road, Suite 210  
Cheyenne, WY 82002

Re: Wyoming 14-011

Dear Ms. Green:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-011. Effective for services on or after October 1, 2014, 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), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 14-011 is approved effective October 1, 2014. The HCFA-179 and the amended plan pages are attached.

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

Sincerely,

A black rectangular box redacting the signature of Cindy Mann.

Cindy Mann  
Director

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

1. TRANSMITTAL NUMBER:  
14-011

2. STATE  
WYOMING

**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  
October 1, 2014

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:  
42 CFR 483.352; 42 CFR Part 441, Subpart D; 42 CFR Part 483,  
Subpart G

7. FEDERAL BUDGET IMPACT:  
a. FFY 2013 - \$0  
b. FFY 2014 - \$0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Part 4: Reimbursement of Psychiatric Residential  
Treatment Facilities for Individuals 21 and Under (PRTF)

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  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

Attachment 4.19-A, Part 4: Reimbursement of Psychiatric  
Residential Treatment Facilities for Individuals 21 and Under  
(PRTF)

10. SUBJECT OF AMENDMENT:

This is a resubmission of approved PRTF SPA 13-008 to change the effective date to October 1, 2014.

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:

12. SIGNATURE OF STATE AGENCY OFFICIAL:



16. RETURN TO:

TERI GREEN  
STATE MEDICAID AGENT  
OFFICE OF HEALTH CARE FINANCING  
6101 YELLOWSTONE ROAD, SUITE 210  
CHEYENNE, WY 82002

13. TYPED NAME: TERI GREEN

14. TITLE: STATE MEDICAID AGENT

CC:

15. DATE SUBMITTED: 05/21/14

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED	18. DATE APPROVED
19. EFFECTIVE DATE OF APPROVED MATERIAL	20. SIGNED BY REGIONAL OFFICIAL
21. TYPED NAME	22. TITLE
23. REMARKS	

**Reimbursement of Psychiatric Residential Treatment Facilities For Individuals 21 and Under (PRTF)**

**Section 1. Authority.**

This Attachment is prepared and submitted to CMS for approval pursuant to 42 U.S.C. §1396a (b) and 45 C.F.R. Part 201, Part 201, Subpart A.

**Section 2. Purpose and Applicability.**

(a) This Attachment shall apply to and govern Medicaid reimbursement of Psychiatric Residential Treatment Facilities (PRTF).

(b) The Department may issue manuals, bulletins, or both, to interpret the provisions of this Attachment. Such manuals and bulletins shall be consistent with and reflect the policies contained in this Attachment. The provisions contained in manuals or bulletins shall be subordinate to the provisions of this Attachment.

(c) The incorporation by reference of any external standard is intended to be the incorporation of that standard as it is in effect on the effective date of this Attachment.

**Section 3. General Provisions.**

(a) Terminology. Except as otherwise specified, the terminology used in this Attachment is the standard terminology and has the standard meaning used in accounting, health care, Medicaid and Medicare.

(b) General methodology.

(i) All-inclusive rate. Payments for services provided in a Psychiatric Residential Treatment Facility (PRTF) will be made using a prospective per diem rate. The rates will be established by the Department of Health based on reasonable, actual costs for services and treatment of residents in the facility. Rates are provider-specific, all-inclusive for room and board and the treatment services specified in the treatment plan. There is no retroactive cost settlement based on actual costs.

(ii) Other medical and ancillary services paid through Medicaid fee schedules. The costs of medical and ancillary services not provided by the PRTF, excluding those services in the treatment plan, shall not be included in the all-inclusive prospective per diem rate, and shall be billed as a

separate service by the provider of those services and Medicaid shall pay for those covered services using the appropriate Medicaid fee schedule.

**Section 4: Determination of PRTF Costs** – This section summarizes the use of reported costs and adjustments to reported costs required to develop the data needed to calculate the room and board and licensed treatment rate components described in Section 5.

(a) Reported costs and days. Reported costs and days data from providers using Medicaid's PRTF cost report.

(i) Room and board costs. Reported on the provider cost report as room and board and non-licensed treatment costs.

(ii) Licensed treatment costs. Reported on the provider cost report as licensed treatment costs. These services are specified in the individual plan of care and include psychiatric and counseling services provided by licensed mental health professionals, and might also include physical, occupational and speech therapies if specified in the individual plan of care.

(iii) Administrative costs. The sum of administrative office employee salaries, contracted administrative office services, total administrative expenses and total liability and other insurance costs reported on provider costs reports.

(iv) Occupied bed days. Reported on the provider cost report as the total number of days beds were occupied during the provider's fiscal year.

(b) Adjustments to reported costs. Reported costs shall be adjusted to standardize data for analysis and remove non-allowable costs.

(i) Adjustment for National School Lunch funding. The revenues associated with the school lunch program shall be subtracted from reported room and board costs if a provider reported such revenue. Excluded National School Lunch costs shall be capped at the lower of food service-related costs or the revenue from the National School Lunch program.

(ii) Adjustment for services paid through a Medicaid fee schedule, as determined through a review of Medicaid paid claims data. Costs of services billed and paid on a fee-for-service basis shall be subtracted from total costs as these are not part of the services paid through the per

diem rate. Medicaid revenue for these payments shall be subtracted from the provider's reported treatment costs, not to exceed the costs reported on the cost report for that service.

(iii) Adjustments for inflation. Reported costs shall be inflated to the midpoint of the SFY of the rate-setting period, for those providers who reported costs for a reporting period different than the period immediately prior to the rate-setting period (i.e., if the current SFY is 2012, providers who submitted cost reports based on Calendar Year 2011 or SFY 2011). Inflation factors shall be determined using publicly available Wyoming-specific data from the National Bureau of Labor Statistics' Quarterly Census of Employment and Wages for Wyoming Nursing and Residential Care.

(c) Administrative costs adjustments.

(i) In-state median licensed treatment administrative costs. The licensed treatment administrative rate for instate PRTFs shall be calculated as the ratio of inflated licensed treatment administrative costs to total inflated costs and arrayed from high to low to determine the median value.

(ii) In-state median room and board administrative costs. The room and board administrative rate for instate PRTFs shall be calculated as the ratio of inflated room and board administrative costs to total inflated costs and arrayed from high to low to determine the median value.

(iii) Adjusted licensed treatment administrative costs. A provider's inflated licensed treatment administrative costs shall be adjusted if a provider's inflated licensed treatment administrative percentage exceeds the benchmark percentage (i.e., the median licensed treatment administrative percentage). The provider's inflated licensed treatment administrative costs shall be capped to equal administrative costs at the benchmark percentage.

(iv) Adjusted room and board administrative costs. A provider's inflated room and board administrative costs shall be adjusted if a provider's inflated room and board administrative percentage exceeds the benchmark percentage (i.e., the median room and board administrative percentage). The provider's inflated room and board administrative costs shall be capped to equal administrative costs at the benchmark percentage.

(d) Adjustments to reported days.

(i) In-state median occupancy level. The occupancy rate for in-state PRTFs shall be calculated as the ratio of reported occupied days to total days and arrayed from high to low to determine the median value. Total days shall be calculated as the number of beds multiplied by the number of days the facility was open.

(ii) Adjusted days. The total number of residential days shall be adjusted to reflect in-state PRTF median occupancy levels. If a provider's occupancy rate was lower than the benchmark occupancy rate (i.e., the median), the residential days shall be recalculated as the number of days that equals the median occupancy rate of in-state PRTF providers.

(e) Final costs and days for rate setting.

(i) Final room and board costs. Final room and board costs shall be calculated by subtracting adjusted room and board administrative costs (Section 4(c)(iii)) from adjusted room and board costs (Section 4(b)).

(ii) Final licensed treatment costs. Final licensed treatment costs shall be calculated by subtracting adjusted licensed treatment administrative costs (Section 4(c)(iv)) from adjusted licensed treatment costs (Section 4(b)).

(iii) Final occupancy days. Final occupancy days shall be determined as reported days for providers with occupancy rates above the instate median occupancy level. For providers below the instate median occupancy level, adjusted days determined in Section 4(d)(ii) shall be used.

(iv) Median room and board per diem cap. Calculate the median room and board per diem cap for instate and out-of-state providers.

(A) In-state median room and board per diem cap. For each in-state provider, the room and board per diem shall be calculated as final room and board costs divided by final occupancy days and arrayed from high to low to determine the median value.

(B) Out-of-state median room and board per diem cap. For each out-of-state provider, the room and board per diem shall be calculated as final room and board costs divided by final occupancy days and arrayed from high to low to determine the median value.

**Section 5: Determination of PRTF Rates**

(a) The PRTF payment rate shall be comprised of a room and board per diem component and a licensed treatment per diem component.

(i) Room and board per diem component. The Department shall determine the room and board per diem component for each PRTF. Each PRTF's room and board per diem calculated in Section 4(e)(iv) is compared to the in-state median room and board cost per day (for in-state providers) or the out of state median (for out of state providers); the lower of the provider-specific room and board per diem or median shall be assigned as the final room and board per diem component.

(ii) Licensed treatment per diem component. The Department shall determine the licensed treatment per diem component for each PRTF. The licensed treatment per diem component is provider-specific, and shall be calculated as final licensed treatment costs divided by final occupancy days.

(iii) The Department shall determine the provider-specific, all-inclusive PRTF rate as the sum of the room and board per diem component and the licensed treatment per diem component.

(b) The rate shall not exceed the amount that would have been paid for such services under Medicare principles of reimbursement using publication 15-1.

**Section 6. Preparation and Submission of Cost Reports.**

(a) Time of submission. Each PRTF must submit a complete cost report to the Department or its designee annually by January 15. Providers shall submit cost reports based on their most recently audited financial statements, for the period immediately prior to the rate-setting period. If financial audits are not available for the period immediately prior to the rate-setting period, then the most recently available audited financial statements should be used to complete the cost report. .

(b) Preparation of cost reports. Cost reports shall be prepared in conformance with Medicaid's cost report instructions and allowable cost guidelines.

(c) Requirements of participation. Wyoming Medicaid requires all Wyoming and out-of-state PRTFs enrolled with the Medicaid program to complete a cost report if:

(i) The number of unduplicated clients served in the previous State Fiscal Year (i.e., July 1 to June 30) by the provider was at least five (5) Wyoming Medicaid clients; or



(ii) The total Wyoming Medicaid payments to the provider in the previous State Fiscal Year (i.e., July 1 to June 30) were at least \$50,000.

**Section 7. Audits.**

(a) Desk reviews. The Department may perform a desk review of a provider at any time to determine the accuracy and reasonableness of cost reports or whether the PRTF has received overpayments.

(b) Adjustments. If any adjustments are made as a result of a desk audit, the facility will be notified immediately upon determination of the finding and adjustment.

**Section 7. Rebasing.** The Department shall rebase the all-inclusive PRTF per diem periodically using the most recent provider cost report data.

**Section 8. Payment of Claims.** The timing and frequency of payments to PRTF providers is monthly.

**Section 9. Recovery of Overpayments.** The Department shall recover overpayments pursuant to Chapter 16, which is incorporated by this reference.

**Section 10. Reconsideration.** A provider may request reconsideration of the decision to recover overpayments pursuant to the provisions of Chapter 16.

**Section 11. Delegation of Duties.** The Department may delegate any of its duties under this rule to the Wyoming Attorney General, HHS, any other agency of the federal, state or local government, or a private entity which is capable of performing such functions, provided that the Department shall retain the authority to impose sanctions, recover overpayments or take any other final action authorized by this Attachment.

**Section 12. Interpretation of Attachment.**

(a) The order in which the provisions of this Attachment appear is not to be construed to mean that any one provision is more or less important than any other provision.

(b) The text of this Attachment shall control the titles of various provisions.

**Section 13. Superseding Effect.** This Attachment supersedes all prior Attachments or policy statements issued by the Department, including manuals and bulletins, which are inconsistent with this Attachment, except as otherwise specified in this Attachment.

**Section 14.**        **Severability**. If any portion of this Attachment is found to be invalid or unenforceable, the remainder shall continue in effect.

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TN No.: 14-011  
Supersedes  
TN No.: 13-008

Approved Date: JUN 11 2014    Effective Date: October 1, 2014