

## **Table of Contents**

**State/Territory Name: MD**

**State Plan Amendment (SPA) #: 22-0025**

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 S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

January 27, 2023

Steven Schuh  
Medicaid Director  
Maryland Department of Health  
201 W. Preston St., 5<sup>th</sup> Floor  
Baltimore, MD 21201

Reference: TN 22-0025

Dear Medicaid Director:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0025. This amendment rebases the rate for Residential Treatment Centers to \$850 per day, updated annually based on CMS published market basket increase percentage relating to hospitals. Additionally, rebasing will occur every two to four years.

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 and the implementing Federal regulations at 42 CFR 447 Subpart C.

This is to inform you that Medicaid State plan amendment MD-22-0025 is approved effective January 1, 2023. The CMS-179 and the amended plan page(s) are attached.

If you have any additional questions or need further assistance, please contact Kristina Mack-Webb at 617-565-1225 or [Kristina.Mack-Webb@cms.hhs.gov](mailto:Kristina.Mack-Webb@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER <u>2 2</u> — <u>0 0 2 5</u>	2. STATE <u>MD</u>
3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT <input checked="" type="radio"/> XIX <input type="radio"/> XXI	

TO: CENTER DIRECTOR CENTERS FOR MEDICAID & CHIP SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES	4. PROPOSED EFFECTIVE DATE <b>January 1, 2023</b>
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5. FEDERAL STATUTE/REGULATION CITATION <b>42 CFR 447.201</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <u>2023</u> \$ <u>1,051,702</u> b. FFY <u>2024</u> \$ <u>350,567</u>
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7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT <b>Attachment 4.19A pg. 4a (22-0025)</b>	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 4.19A pg. 4a (21-0008)</b>
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9. SUBJECT OF AMENDMENT  
The Maryland Department of Health is amending its State Plan to rebase the maximum rate for Residential Treatment Centers (RTCs) and update the frequency with which rates will be rebased. Effective 1/1/2023, the maximum rate for RTCs will be \$850 per day and will be updated annually based on the Centers for Medicare and Medicaid Services' (CMS) published federal fiscal year market basket increase percentage relating to hospitals excluded from the prospective payment system and include a 1% update factor. The Department will rebase rates for RTCs every two to four years or more frequently if determined by the

10. 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

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO Steven Schuh Medicaid Director Maryland Department of Health 201 W. Preston St., 5th Floor Baltimore, MD 21201
12. TYPED NAME Tricia Roddy	
13. TITLE Deputy Medicaid Director	
14. DATE SUBMITTED 12/21/22	

**FOR CMS USE ONLY**

16. DATE RECEIVED December 21, 2022	17. DATE APPROVED January 27, 2023
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL	19. SIGNATURE OF APPROVING OFFICIAL 
20. TYPED NAME OF APPROVING OFFICIAL Rory Howe	21. TITLE OF APPROVING OFFICIAL Director, Financial Management Group

22. REMARKS

- G. A residential treatment center admits patients between the ages of 12 and 21. The Department reimburses a residential treatment center, except an in-state children's residential treatment center, the least of: (1) the provider's usual and customary charge unless the service is free to individuals not covered by Medicaid; (2) the provider's per diem cost for covered services established in accordance with Medicare principles of reasonable cost reimbursement as described in 42 CFR 413; (3) \$750 per day effective July 1, 2021. The \$750 per day will be updated annually by the Centers for Medicare and Medicaid Services' published federal fiscal year market basket increase percentage relating to hospitals excluded from the prospective payment system.

Effective January 1, 2023, the \$750 per day rate is rebased to \$850 per day and will be updated annually as identified above plus a 1% update factor. The Department rebases prices between every two and four years. Prices may be rebased more frequently if the Department determines that there is an error in the data or in the calculation that results in a substantial difference in payment, or if a significant change in provider behavior or costs has resulted in payment that is inequitable across providers. In years which rates are not rebased, rates are subject to annual indexing.

1. Qualified non-facility individual practitioners may be directly reimbursed for somatic, dental, or other medically necessary services not included in the per diem rate which are provided to children in a residential treatment center.
2. Such reimbursement is subject to the payment methodologies that are otherwise specified in the State Plan.

- H. Children's residential treatment center: A children's residential treatment center is a residential treatment center that admits patients 12 years of age and under. An in-state children's residential treatment center shall be reimbursed the least of:

(1) the provider's usual and customary charge unless the service is free to individuals not covered by Medicaid;

(2) the provider's per diem cost for covered services established in accordance with Medicare principles of reasonable cost as described in 42 CFR 413; or (3) \$750 per day effective July 1, 2021. The \$750 per day will be updated annually by the Centers for Medicare and Medicaid Services' published federal fiscal year market basket increase percentage relating to hospitals excluded from the prospective payment system.

Effective January 1, 2023, the \$750 per day rate is rebased to \$850 per day and will be updated annually as identified above plus a 1% update factor. The Department rebases prices between every two and four years. Prices may be rebased more frequently if the Department determines that there is an error in the data or in the calculation that results in a substantial difference in payment, or if a significant change in provider behavior or costs has resulted in payment that is inequitable across providers. In years in which rates are not rebased, rates are subject to annual indexing.

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