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**State/Territory Name: Ohio**

**State Plan Amendment (SPA) #: 23-0019**

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES  
Centers for Medicare & Medicaid Services  
601 E. 12th St., Room 355  
Kansas City, Missouri 64106



Medicaid and CHIP Operations Group

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October 19, 2023

Maureen M. Corcoran, Director  
Ohio Department of Medicaid  
P.O. Box 182709  
50 West Town Street, Suite 400  
Columbus, Ohio 43218

Re: Ohio State Plan Amendment (SPA) Transmittal Number 23-0019

Dear Director Corcoran:

The Centers for Medicare & Medicaid Services (CMS) reviewed your Medicaid State Plan Amendment (SPA) submitted under transmittal number 23-0019. This amendment proposes to add coverage and payment provisions for Psychiatric Residential Treatment Facility services to the Medicaid State Plan to meet the needs for Ohio's youth.

We conducted our review of your submittal according to statutory requirements in Title XIX of the Social Security Act and implementing regulations. This letter is to inform you that Ohio Medicaid SPA 23-0019 was approved on October 19, 2023, with an effective date of November 1, 2023

If you have any questions, please contact Christine Davidson at (312) 886-3642 or via email at [Christine.Davidson@cms.hhs.gov](mailto:Christine.Davidson@cms.hhs.gov).

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

James G. Scott, Director  
Division of Program Operations

Enclosure


cc: Rebecca Jackson, ODM  
Gregory Niehoff, ODM  
Tamara Edwards, ODM  
Brandon Smith, CMCS  
Fredrick Sebree, CMCS

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE &amp; MEDICAID SERVICES</b>	1. TRANSMITTAL NUMBER <b>2 3 — 0 0 1 9</b>	2. STATE <b>OH</b>
	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>November 1, 2023</b>	
5. FEDERAL STATUTE/REGULATION CITATION <b>Subpart D of 42 CFR 441, Subpart G of 42 CFR 483</b>	6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars) a. FFY <b>2024</b> \$ <b>0</b> b. FFY <b>2025</b> \$ <b>0</b>	
7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  <b>Attachment 3.1-A, Item 16, page 1 of 1</b> <b>Attachment 4.19-A, page 3-1</b> <b>Attachment 4.19-C Supplement 4, page 1 of 1</b> (new)	8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) <b>Attachment 3.1-A, Item 16, page 1 of 1 (TN 15-004)</b> <b>Attachment 4.19-A, page 33, page 1 of 1 (TN 23-016)</b>	

9. SUBJECT OF AMENDMENT  
  
**Coverage and Limitations and Payment for Services: Psychiatric Residential Treatment Facility Services (PRTF)**

10. GOVERNOR'S REVIEW (Check One)


GOVERNOR'S OFFICE REPORTED NO COMMENT                       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED                      **The State Medicaid Director is the Governor's designee**  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

11. SIGNATURE OF STATE AGENCY OFFICIAL 	15. RETURN TO  <b>Greg Niehoff</b> <b>Ohio Department of Medicaid</b> <b>P.O. BOX 182709</b> <b>Columbus, Ohio 43218</b>
12. TYPED NAME <b>MAUREEN M. CORCORAN</b>	
13. TITLE <b>STATE MEDICAID DIRECTOR</b>	
14. DATE SUBMITTED July 25, 2023	

**FOR CMS USE ONLY**

16. DATE RECEIVED <b>July 25, 2023</b>	17. DATE APPROVED
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**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL <b>November 1, 2023</b>	19. SIGNATURE OF APPROVING OFFICIAL <b>10/19/2023</b> 
20. TYPED NAME OF APPROVING OFFICIAL <b>James G. Scott</b>	21. TITLE OF APPROVING OFFICIAL <b>Director, Division of Program Operations</b>

22. REMARKS

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

Recipients under 22 years of age may receive inpatient psychiatric services in psychiatric hospitals and certain alcohol and/or drug abuse rehabilitation hospitals that are licensed by the Ohio Department of Mental Health and Addiction Services or operated under the State Mental Health Authority and meet federal requirements at 42 CFR 441 Subpart D and 42 CFR §440.160.

Medicaid does not cover, as an inpatient hospital service, those physicians' services furnished to individual patients. In determining whether services are covered as a physician service or a hospital service, Medicaid uses the criteria adopted by the Medicare program as set forth in 42 CFR 405, Subparts D and E.

Inpatient psychiatric facility services for individuals under 22 years of age may also be provided to recipients receiving treatment in a psychiatric residential treatment facility (PRTF). A PRTF is a facility licensed and accredited in accordance with 42 CFR 440.160 and Subpart D of 42 CFR Part 441.

## I. Psychiatric Residential Treatment Facility (PRTF) Services

All psychiatric residential treatment facilities are subject to the provisions set forth in this section.

### (A) Methods and standards for determining payment rates for services provided by Psychiatric Residential Treatment Facilities (PRTF).

- (1) Services provided by psychiatric residential treatment facilities (PRTF), as described in Item 16 of Attachment 3.1-A, delivered to a child receiving treatment in a PRTF are paid a per diem rate. The per diem amount is established using an independent rate model approach with documented assumptions. PRTFs will submit annual cost reports using a state-developed cost report to inform future PRTF rate setting. There shall be no year-end cost settlement payments and the per diem reimbursement shall constitute full reimbursement.
- (2) PRTFs shall be reimbursed for services provided to Medicaid recipients based upon the lower of:
  - (a) The per diem rate calculated by the agency; or
  - (b) The usual and customary daily charges billed for the treatment of eligible recipients.
- (3) The per diem includes costs for the following components:
  - (a) 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 in the treatment team.
  - (b) Allowable administrative costs. Administrative costs include, but are not limited to, administrative staff costs (salary and fringe), insurance, professional dues and supplies.
  - (c) Allowable room and board costs. Room and board costs include all costs related to housing the recipient.
- (4) The per diem rates exclude costs incurred for medical, ancillary and specialty healthcare services that a nurse is unable to provide onsite rendered by providers who bill Medicaid directly; direct care services provided by a practitioner of physician services or hospital services when performed outside the PRTF; pharmaceutical services; dental services; laboratory and x-ray procedures; vision care services; health services-related transportation; transportation of a family member or guardian; transportation for education services; and admission or discharge-related transportation services.
- (5) The agency's established per diem rates for PRTF shall be reviewed annually by the agency or its contractor using the most recent, reliable claims data and adjusted cost report data to reflect changes in treatment patterns, technology, and other factors that may change the cost of efficiently providing PRTF services, and adjusted as necessary, in accordance with this section. All rates are published on the agency's website at <https://medicaid.ohio.gov/resources-for-providers/billing/fee-schedule-and-rates/fee-schedule-and-rates>.

**Coverage and Payment for Bed Hold Days – Psychiatric Residential Treatment Facility (PRTF) Services**

Psychiatric Residential Treatment Facility (PRTF) providers are eligible for payment to reserve a bed for a resident who is away from the facility for hospital leave, visits with friends and family, therapeutic leave, and trial visits to home and community-based settings. Up to three days are granted per leave event per resident with prior approval of the Department of Medicaid or its designee. Any requests beyond three days per leave event requires prior approval from the Department of Medicaid or its designee. Payment for all allowable bed hold days is equal to 100% of the provider's per diem rate.

TN: 23-019

Supersedes:

TN: New

Approval Date: 10/19/2023

Effective Date: 11/01/2023