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State/Territory Name: Minnesota

State Plan Amendment (SPA) #: MN 24-0015

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 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



Financial Management Group

April 2, 2024

Julie Marquardt
Medicaid Director
Minnesota Department of Human Services
P.O. Box 64983
St. Paul, MN 55164-0983

RE: Minnesota State Plan Amendment (SPA) 24-0015

Dear Director Marquardt:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 24-0015. Effective for services on or after July 1, 2024, this amendment updates per diem rates for Psychiatric Residential Treatment Facility services to adjust annually for inflation using the Centers for Medicare and Medicaid Services Inpatient Psychiatric Facility Market Basket.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 24-0015 is approved effective July 1, 2024. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,



Rory Howe
Director

Enclosure

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

1. TRANSMITTAL NUMBER

2 4 — 0 0 1 5

2. STATE

MN

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT

XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2024

5. FEDERAL STATUTE/REGULATION CITATION

Section 1905(a)(16) of the Act; 42 CFR Part 441, Subpart D

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY 2024 \$ 0
b. FFY 2025 \$ 0

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A, Supplement 4, page 1

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)

same

9. SUBJECT OF AMENDMENT

Annual adjustment to provider rates for psychiatric residential treatment facilities

10. 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:

11. SIGNATURE OF STATE AGENCY OFFICIAL

[Redacted Signature]

12. TYPED NAME

Patrick Hultman

13. TITLE

Deputy Medicaid Director

14. DATE SUBMITTED

March 20, 2024

15. RETURN TO

Patrick Hultman
Minnesota Department of Human Services
Federal Relations Unit
540 Cedar Street
PO Box 64983
Saint Paul, MN 55164

FOR CMS USE ONLY

16. DATE RECEIVED

March 20, 2024

17. DATE APPROVED

April 2, 2024

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL

July 1, 2024

19. SIGNATURE OF APPROVING OFFICIAL

[Redacted Signature]

20. TYPED NAME OF APPROVING OFFICIAL

Rory Howe

21. TITLE OF APPROVING OFFICIAL

Director, FMG

22. REMARKS

Methods and standards for Determining Payment Rates for Services Provided by Psychiatric Residential Treatment Facilities as Described in Item 16 of Attachments 3.1-A and 3.1-B.

Providers of services delivered to a child residing in a psychiatric residential treatment facility (PRTF) are paid a per diem. The per diem is a provider specific rate informed by annual cost reporting performed by each individual provider. Providers report costs using a state-developed cost report. The per diem includes costs for the following three components:

1. Allowable direct services 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 on the treatment team. This does not include costs associated with services provided under arrangement.
2. Allowable administrative costs. Administrative costs include, but are not limited to, administrative staff costs (salary and fringe), insurance, professional dues, and supplies.
3. Allowable room and board costs. Room and board costs include all costs related to housing the recipient.

Per diem rates are informed by cost reporting using the actual experience of all providers during the previous calendar year. The Department recalculates payment rates annually and implements the new rates July 1 of each year.

Effective for rate years beginning on and after January 1, 2024, per diem rates for PRTF services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Inpatient Psychiatric Facility Market Basket. The inflation adjustment must be based on the indices as forecasted for the midpoint of the previous rate year to the midpoint of the current rate year.

Therapeutic leave days, as described in Attachment 4.19-C, are paid at 75% of the established per diem rate.

Hospital leave days as described in Attachment 4.19-C, are paid at 50% of the established per diem rate.

Services provided under arrangement to a recipient residing in a PRTF are reimbursed for the particular service as described in Attachment 4,19-B.