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## **Table of Contents**

**State/Territory Name: Alaska**

**State Plan Amendment (SPA) #: 17-0001**

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



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**Financial Management Group**

**APR 18 2017**

Jon Sherwood, Deputy Commissioner  
Department of Health and Social Services  
Post Office Box 110601  
Juneau, AK 99811-0601

**RE: AK State Plan Amendment (SPA) Transmittal Number #17-0001 – Approval**

Dear Mr. Sherwood:

We have reviewed the proposed amendment to Attachments 4.19-A and B of your Medicaid State plan submitted under transmittal number (TN) 17-0001. This SPA updates reimbursement rates for inpatient psychiatric services for individuals under the age of 21, removes language restricting eligible providers to non-profits, removes language targeting individuals with a serious emotional disturbance for service eligibility, and corrects a previous error of placement of this reimbursement methodology in Attachment 4.19-B..

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 17-0001 is approved effective as of July 1, 2017. For your files, we are enclosing the HCFA-179 transmittal form and the amended plan pages.

If you have any questions concerning this state plan amendment, please contact Tom Couch, CMS' RO NIRT Representative at 208-861-9838 or [Thomas.Couch@cms.hhs.gov](mailto:Thomas.Couch@cms.hhs.gov) .

Sincerely,

A solid black rectangular box redacting the signature of Kristin Fan.

Kristin Fan  
Director

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  <b>FOR: HEALTH CARE FINANCING ADMINISTRATION</b>	1. TRANSMITTAL NUMBER: <del>16-0008</del> 17-0001	2. STATE Alaska
	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 July 1, 2017	

5. TYPE OF PLAN MATERIAL (Check One):

NEW STATE PLAN       AMENDMENT TO BE CONSIDERED AS NEW PLAN       AMENDMENT

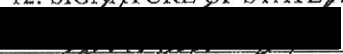
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION: Section 1905(a)(16); 42 CFR 440.160	7. FEDERAL BUDGET IMPACT: a. FFY                    17                    \$125,034 \$140,847(P&I) b. FFY                    18                    \$500,137 \$563,389(P&I)
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:  Attachment to 4.19-B, page 9 Attachment to 4.19-A, page 27a	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable):  Attachment to 4.19-B, page 9

10. SUBJECT OF AMENDMENT:  
Update to reimbursement rates for Inpatient Psychiatric Services for Individuals under 21 and including removal of language restricting eligible providers to non-profit status, and removal of language targeting individuals with a serious emotional disturbance for service eligibility.

11. GOVERNOR'S REVIEW (Check One):

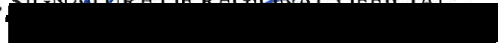
GOVERNOR'S OFFICE REPORTED NO COMMENT       OTHER, AS SPECIFIED:  
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO:
13. TYPED NAME: Jon Sherwood	
14. TITLE: DHSS Deputy Commissioner	
15. DATE SUBMITTED: January 19, 2017	

**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED: 1/19/2017	18. DATE APPROVED: APR 18 2017
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PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2017	20. SIGNATURE OF REGIONAL OFFICIAL: 
21. TYPED NAME: Kristin Fan	22. TITLE: Director, FMC

23. REMARKS:  
3/31/17: State authorized P&I change to box 7  
4/3/17: State authorized P&I change to box 8

Inpatient Psychiatric Services for Individuals Under 21

Payment to an accredited residential psychiatric facility for the treatment of individuals under 21 years of age is at daily rates established by the department. The department will pay for therapeutically appropriate, medically necessary diagnostic and treatment services, including the following services: individual psychotherapy; group psychotherapy; family psychotherapy; group skill-development services; individual skill-development services; family skill-development services; pharmacologic management and medication administration; crisis intervention; and intake assessment.

The daily reimbursement rates are published and available at:

[http://manuals.medicaidalaska.com/inpatient\\_psych\\_rptc/inpatient\\_psych\\_rptc.htm](http://manuals.medicaidalaska.com/inpatient_psych_rptc/inpatient_psych_rptc.htm).

The rates were last updated to be effective for services on or after 7/1/17.

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**Methods and Standards for Establishing  
Payment Rates: Other Types of Care**

Private Duty Nursing for Children Under 21

Payment for private nursing is the lesser of amount billed the general public or \$80 per hour for registered nurse services and \$75 per hour for licensed practical nurse services. Hours must be justified in a physician-approved plan of care, must be less than 24 hours per day, and cannot, when added to the other Medicaid services used by the child, exceed the cost of institutional care.

Radiology Services

Payment for radiology services provided by independent radiology facilities is made at the lesser of billed charges, the Resource Based Relative Value Scale methodology used for physicians, the provider's lowest charge, or the state maximum allowable for procedures that do not have an established RVU. This maximum allowable payment is a single rate per procedure code. The agency's rates for radiology services were updated on July 1, 2012 and are effective for dates of service after on or after that date. The state assures that the requirement of 42 CFR 447.325 regarding upper limits of payment will be met.

Renal Dialysis Physician Clinics

Payment for renal dialysis clinic services is a composite, per-treatment rate of \$1,000 for hemodialysis and \$500 for peritoneal dialysis. This maximum allowable payment is a single rate per procedure. The rates established for renal dialysis clinic services are all inclusive, except that erythrocyte-stimulating agents and parenteral iron replacement products are separately reimbursable under existing prescribed drug payment methodology. These rates are effective January 1, 2013. To ensure that payment rates are economic and efficient, the State will calculate a clinic upper payment limit as described at 42 CFR 447.321.

Respiratory Therapy Services

Payment for respiratory therapy services is made at the lesser of the amount billed the general public or the state maximum allowable. This maximum allowable payment is a single rate per procedure code. The agency's rates for respiratory therapy services were updated on July 1, 2012 and are effective for dates of service after on or after that date.