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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-06-017

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179
- 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



AUG 09 2013

Ms. Barbara Prehmus
Colorado Department of Health Care
Policy & Financing
1570 Grant Street
Denver, CO 80203-1818

Re: Colorado 06-017

Dear Ms. Prehmus:

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 06-017. Effective for services on or after July 1, 2006, this amendment provides for methods and standards in establishing payment rates to 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) and 1903(a) of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment TN 06-017 is approved effective July 1, 2006. The CMS-179 and the amended plan pages are attached.

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

Sincerely,

A handwritten signature in black ink, which appears to be "Cindy Mann". The signature is written over a solid black rectangular redaction box.

Cindy Mann
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 0 6 -- 0 1 7	2. STATE: COLORADO
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE July 1, 2006	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS A NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION 42 C.F.R. Section 441.150-182, 42 C.F.R. Sections 483.350-376.		7. FEDERAL BUDGET IMPACT a. FFY 07 \$ 670,000 b. FFY 08 \$ 690,000 c. FFY 09 \$ 520,000 d. FFY 10 \$ 700,000 e. FFY 11 \$ 630,000 f. FFY 12 \$ 715,000 e. FFY 13 \$ 167,000	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Supplemental to Attachment 3.1-A, Limitations to Care and Services Attachment 4.19-D, Methods and Standards for Establishing Payment Rates – PRTF page 59, 60, & 61.		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)	
10. SUBJECT OF AMENDMENT: Services provided in a Psychiatric Residential Treatment Facility			
11. GOVERNOR'S REVIEW (Check One) <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 01 September 2011 <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL		16. RETURN TO	
13. TYPED NAME Suzanne Brennan		Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: Barbara Prehmus	
14. TITLE Deputy Executive Director			
15. DATE SUBMITTED May 15, 2013			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED AUG 09 2013	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL July 1, 2006		20. SIGNATURE OF REGIONAL OFFICIAL [Redacted]	
21. TYPED NAME Penny Thompson		22. TITLE Deputy Director, Policy & Financial Mgt, CMS	
23. REMARKS			

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

STATE OF COLORADO

Supplement to Attachment 3.1-A
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LIMITATIONS TO CARE AND SERVICES

Item 16. Inpatient psychiatric facility services for individuals under 21 years of age

Inpatient psychiatric services are provided under the direction of a physician and in accordance with 42 CFR §441.151 Subpart D (a) (1). Services are furnished in either a freestanding psychiatric hospital or a Psychiatric Residential Treatment Facility to Medicaid clients under the age of 21. If the client was receiving services immediately before he or she turned 21, services shall be furnished until the date the client no longer requires the services or the date the client reaches the age of 22. The need for services must be certified prior to admission, as required in 42 CFR §441 Subpart D, except in an emergency.

1. Freestanding Psychiatric Hospital

- a. Eligible Providers: Psychiatric hospitals that meet all hospital enrollment requirements as defined in 42 CFR §441.151 Subpart D (2) (i).
- b. Service Limitations: Prior authorization is required for any stay beyond 45 days.
- c. The reimbursement methodology for Freestanding Psychiatric Hospitals is described in Attachment 4.19-A.

2. Psychiatric Residential Treatment Facility (PRTF)

- a. Eligible Providers. A PRTF must meet the following criteria to be eligible to provide PRTF services:
 - i. Is a separate, stand-alone facility other than a hospital
 - ii. Provides a range of services to treat the psychiatric condition of clients under the age of 21 on an inpatient basis under the direction of a physician
 - iii. Meets the Conditions of Participation found at 42 C.F.R. Part 441, Subpart D, including the accreditation requirements
 - iv. Meets the Condition of Participation for Use of Restraint or Seclusion in Psychiatric Facilities or Programs, found at 42 C.F.R. Part 483, Subpart G
- b. The reimbursement methodology for Psychiatric Residential Treatment Facilities is described in Attachment 4.19-D.

TITLE XIX OF THE SOCIAL SECURITY ACT
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METHODS AND STANDARD FOR ESTABLISHING PAYMENT RATES –
OTHER TYPES OF CARE

16. Psychiatric Residential Treatment Facilities

METHODOLOGY

The Psychiatric Residential Treatment Facility (PRTF) reimbursement rate is an all-inclusive per diem rate based on a prospective payment model for the 24-hour treatment of Medicaid clients residing within a PRTF.

The sources used to develop the all-inclusive per diem rate include:

- a. Historical cost reports and utilization data from numerous PRTFs within Colorado,
- b. Various nurse compensation benchmarking data sources including: Pay Scale, Allied Physicians, Economic Research Institute, and the Health Resources and Services Administration of the U.S. Department of Health and Human Services,
- c. State of Colorado Medicaid Fee-For-Service (FFS) reimbursement rates for mental health services comparable to mental health services provided within a PRTF,
- d. Subject matter expertise with broad managed care experience,
- e. Subject matter expertise with developing mental health payment models, and
- f. Historical Medicaid cost and utilization claims data.

The PRTF per diem rate is determined to reimburse for the following three categories:

1. Child maintenance services including 24 hour care, room and board, and administrative services.

Costs for child maintenance services are determined using PRTF submitted facility personnel, food, and occupancy expenses (janitorial, maintenance, rent, property taxes, etc) for Calendar Year (CY) 2005, including a four percent (4%) trend factor using Consumer Index Price (CPI) data for changes in costs between the cost-reporting period and the July 1, 2006 rate effective date.

TN No. 06-017
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METHODS AND STANDARD FOR ESTABLISHING PAYMENT RATES –
OTHER TYPES OF CARE

16. Psychiatric Residential Treatment Facilities

2. Medical services including behavioral health therapies, medication management, psychiatrist care and supervision, case management, and rehabilitative type therapies.

Costs for medical services are determined using 660 expected minutes of care per week divided as follows:

- a. Individual Therapy (120 minutes/week),
 - b. Group Therapy (240 minutes/week),
 - c. Family Therapy (90 minutes/week),
 - d. Treatment Team Care (60 minutes/week),
 - e. Psychiatrist Care, including treatment team care, medication management, and post-intervention debriefs (90 minutes/week, services), and
 - f. Occupational Therapy (60 minutes/week).
3. Registered Nurse (RN) staffing on-site 24 hours per day, 7 days per week.

Costs for RN staffing are determined using three full-time equivalent (FTE) salaries with benefits, training and on-going education, and an additional amount to accommodate coverage during vacation time, including a four percent (4%) trend factor using Consumer Index Price (CPI) data for changes in RN staffing costs.

PROVIDER REIMBURSEMENT

The per diem rate is all-inclusive covering all costs associated with daily care, administrative services, and room and board. No services are to be billed by the PRTF in addition to the PRTF per diem rate on the same date of service for a Medicaid client.

Payments are made to providers as they are billed with Medicaid Management Information System (MMIS) on a weekly, bi-weekly, or monthly basis.

Services shall be provided in an out-of-state setting if medically necessary and no suitable treatment option is found in Colorado. Out-of-state providers must enroll as a Colorado Medicaid Provider pursuant to 10 C.C.R. 2505-10, Section 8.013.1, and shall meet the requirements pursuant to 10 C.C.R. 2505-10, Section 8.765.5.N.1.d and Section 8.765.5.N.1.e

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METHODS AND STANDARD FOR ESTABLISHING PAYMENT RATES –
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prior to receiving payment. Payment for services provided in an out-of-state setting shall be individually negotiated by the Agency. Payment is not to exceed 100% of billed charges.

UPPER PAYMENT LIMIT (UPL) CALCULATION

The Department conducts an analysis of the prevailing private-pay and commercial-insurance rates for PRTF-like services for the purposes of setting the Upper Payment Limit (UPL) for PRTF services according to 42 CFR 447.325.

PAYMENT RATES

PRTF rate is set according to the methodology outlined in this document and are adjusted according to Colorado General Assembly appropriation.

The Agency's rate effective for July 1, 2006 to June 30, 2007 is \$385.00 per day.

The Agency's rate effective for July 1, 2007 to June 30, 2008 is \$390.78 per day.

The Agency's rate effective for July 1, 2008 to June 30, 2010 is \$396.64 per day.

The Agency's rate effective for July 1, 2010 to June 30, 2013 is \$390.77 per day.

The Agency's rate effective on or after July 1, 2013 is \$398.59 per day.

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