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State/Territory Name: Colorado

State Plan Amendment (SPA) #: CO-15-0032

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 AND HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850



Financial Management Group

SEP 09 2015

Barbara Prehmus
Colorado Department of Health Care
Policy and Financing
1570 Grant Street
Denver, Co 80203-1818

Re: Colorado: 15-0032

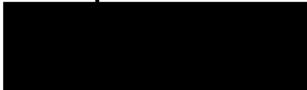
Dear Ms. Prehmus:

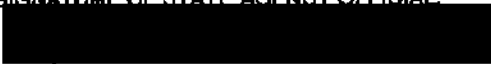

We have reviewed the proposed amendment to Attachment 4.19-D of your Medicaid State plan submitted under transmittal number (TN) 15-0032. Effective for services on or after July 1, 2015, this amendment revises the methods and standards establishing payment rates for Psychiatric Residential Treatment 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 15-0032 is approved effective July 1, 2015. The CMS-179 and the amended plan pages are attached.

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

Sincerely,


Timothy Hill
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	1. TRANSMITTAL NUMBER: 15-0032	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, 2015	
5. TYPE OF PLAN MATERIAL (Check One): NEW STATE PLAN 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 CFR 441.150-182, 42 CFR 483.350-376	7. FEDERAL BUDGET IMPACT a. FFY 2014-15: \$162 b. FFY 2015-16: \$654	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Attachment 4.19-D: Methods and Standards for Establishing Payment Rates – Other Types of Care – 16. Psychiatric Residential Treatment Facilities	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Attachment 4.19-D: Methods and Standards for Establishing Payment Rates – Other Types of Care – 16. Psychiatric Residential Treatment Facilities (06-017)	
10. SUBJECT OF AMENDMENT: Methods and standards for establishing payment rates for PRTFs, reflecting the rate increases effective July 1, 2015.		
11. GOVERNOR'S REVIEW (Check One) GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Governor's letter dated 15 January 2015 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		
12. SIGNATURE OF STATE AGENCY OFFICIAL: 	16. RETURN TO Colorado Department of Health Care Policy and Financing 1570 Grant Street Denver, CO 80203-1818 Attn: Barbara Prehmus	
13. TYPED NAME: Gretchen Hammer		
14. TITLE: Medicaid Director		
15. DATE SUBMITTED: June 11, 2015		
FOR REGIONAL OFFICE USE ONLY		
17. DATE RECEIVED	18. DATE APPROVED SEP 09 2015	
PLAN APPROVED – ONE COPY ATTACHED		
19. EFFECTIVE DATE OF APPROVED MATERIAL JUL 01 2015	20. SIGNATURE OF REGIONAL OFFICIAL 	
21. TYPED NAME Kristin FAN	22. TITLE Deputy Director, FMC	
23. REMARKS		

TITLE XIX OF THE SOCIAL SECURITY ACT
MEDICAL ASSISTANCE PROGRAM

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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:

- I. 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.

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METHODS AND STANDARD FOR ESTABLISHING PAYMENT RATES-
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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 ongoing education, and an additional amount to accommodate coverage during vacation time..

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 prior to receiving payment. Payment for services provided in an out-of-state setting shall be individually negotiated by the Department. Payment is not to exceed 100% of billed charges.

TN No. 15-0032
Supersedes TN No. 06-017

Approval Date **SEP 09 2015**
Effective Date July 1, 2015

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METHODS AND STANDARD FOR ESTABLISHING PAYMENT RATES -
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16. Psychiatric Residential Treatment Facilities

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

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

PRTF services shall be reimbursed at the lower of the following:

1. Submitted charges, or
2. Fee schedule for PRTF services as determined by the Department of Health Care Policy and Financing.

Except as otherwise noted in the State Plan, state-developed fee schedule rates are the same for both governmental and private providers. The reimbursement rates were set as of July 1, 2015 and are effective for services provided on or after that date. Effective July 1, 2015, the all-inclusive per diem reimbursement rate is \$390.70.

TN No. 15-0032
Supersedes TN No. 06-017

Approval Date **SEP 09 2015**
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