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State Name: Maryland

State Plan Amendment (SPA)#: 15-0010

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) One (1) SPA Page

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

OCT 27 2015

Ms. Shannon McMahon, Deputy Secretary
Office of Health Care Financing
201 W. Preston Street
Baltimore, Maryland 21201

RE: State Plan Amendment 15-0010

Dear Ms. McMahon:

We have completed our review of State Plan Amendment (SPA) 15-0010. This SPA modifies Attachment 4.19-A of Maryland's Title XIX State Plan. Specifically, the SPA clarifies that mental health services provided in an Intermediate Care Facility for Addictions are reimbursed as part of the ICF-A provider's per diem rate and not separately.

We conducted our review of this SPA according to the statutory requirements at sections 1902(a)(3), 1902(a)(13), 1902(a)(30), 1903(a), and 1923 of the Social Security Act (the Act) and the regulations at 42 CFR 447 Subpart C. We are approving state plan amendment 15-0010 effective July 1, 2015. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, or require additional information, please call Gary Knight at (304) 347-5723.

Sincerely yours,

/S/

Timothy Hill
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL	1. TRANSMITTAL NUMBER: 15-0010	2. STATE Maryland
	3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES	4. PROPOSED EFFECTIVE DATE July 1, 2015	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		

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: N/A	7. FEDERAL BUDGET IMPACT: a. FFY 2015: \$ 0 b. FFY 2016: \$ 0
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8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19A page 4 (AMEND)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Att. 4.19A page 4
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10. SUBJECT OF AMENDMENT: To include mental health services within ICF-As' per diem reimbursement, as a continued effort in MD to integrate behavioral health services as part of the January 1, 2015 carve out.

11. GOVERNOR'S REVIEW (Check One):

GOVERNOR'S OFFICE REPORTED NO COMMENT OTHER, AS SPECIFIED:
 COMMENTS OF GOVERNOR'S OFFICE ENCLOSED Susan J. Tucker, Executive Director
 NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL Office of Health Services

12. SIGNATURE OF STATE AGENCY OFFICIAL: /S/	16. RETURN TO: Susan J. Tucker, Executive Director OHS - DHMH 201 W. Preston St., 1 st floor Baltimore, MD 21201
13. TYPED NAME: Shannon McMahon	
14. TITLE: Deputy Secretary, Office of Health Care Financing	
15. DATE SUBMITTED:	

FOR REGIONAL OFFICE USE ONLY	
17. DATE RECEIVED:	18. DATE APPROVED: OCT 27 2015
PLAN APPROVED - ONE COPY ATTACHED	
19. EFFECTIVE DATE OF APPROVED MATERIAL: JUL 01 2015	20. SIGNATURE OF REGIONAL OFFICIAL: /S/
21. TYPED NAME: Kristin Fan	22. TITLE: Deputy Director, FMC

23. REMARKS:

- D. The Program will reimburse private psychiatric hospitals in Maryland by a prospective payment system per diem rate, based on rates set by the HSCRC pursuant to the HSCRC methodology.

The HSCRC establishes approved rates for units of service in the various revenue producing departments (rate centers). The rates include adjustments for such items as inflation, volume changes, pass-through costs, and uncompensated care. A description of the HSCRC's uncompensated care methodology is provided in Section I, Letter A (above).

The Program's private psychiatric hospital prospective payment system (PPS) aggregates the HSCRC's rate center-based rates to one per diem rate using a weighted average. The per diem is further reduced to account for bad debt, discounts, capital costs, public relations, lobbying and certain educational expenses as reported on the private psychiatric hospital's cost reports and revenue statements.

Review of cost reports and revenue statements produced a 6% reduction on average and establishes the recommended PPS rate at 94% of the HSCRC rate. Payment for administrative days in private psychiatric hospitals will be made according to: (1) A projected average Medicaid nursing home payment rate, or (2) the administrative day rate for recipients waiting placement in a residential treatment center.

- E. Private freestanding pediatric rehabilitation hospitals in Maryland not approved for reimbursement according to the HSCRC rates shall be reimbursed for inpatient expenditures using a prospective payment system consisting of per diem rates based on categories of service on the providers fiscal year cost report for 2004 after audit and adjustments. The base per diem rates shall be adjusted annually by a market basket update factor in the Centers for Medicare and Medicaid Annual Update factors for Long Term Care Hospital Prospective Payment System.
- F. Reimbursement of Medically Monitored Intensive Inpatient Treatment Services Provided in an Intermediate Care Facility for patients under the age of 21:

The Department shall pay the intermediate care facility the lower of the provider's usual and customary charge or the provider's per diem costs for covered services according to the principles established under Title XVIII of the Social Security Act, up to a maximum of \$400 per day. The \$400 per day maximum payment will be updated annually by the Centers for Medicare and Medicaid Service's published federal fiscal year market basket increase percentage relating to hospitals excluded from the prospective payment system. The average increase in the Department's reimbursement to the provider per inpatient day for each fiscal year over the cost-settled rate for the previous fiscal year may not exceed the rate of increase of the Hospital Wage and Price Index plus 1 percentage point, described in 42 CFR §413.40, as amended. The target rate percentage increase for each calendar year shall equal the prospectively estimated increase in the Hospital Wage and Price Index (market basket index) for each calendar year, plus 1 percentage point. Since the cost reporting period spans portions of 2 calendar years, the Program shall calculate an appropriate prorated percentage rate based on the published calendar year percentage rates.