



TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL		1. TRANSMITTAL NUMBER: 10-021	2. STATE Montana
FOR: HEALTH CARE FINANCING ADMINISTRATION		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 07/01/2010	
5. TYPE OF PLAN MATERIAL (Check One): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS 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: N/A		7. FEDERAL BUDGET IMPACT: a. FFY 2010 \$ 0 b. FFY 2011 \$ 0	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Page(s) 1 of 1 and 2 of 2 Attachment 4.19B Methods & Standards of Establishing Payment Rules Service 11a Physical Therapy Services		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable): Page(s) 1 of 1 and 2 of 2 Attachment 4.19B Methods & Standards of Establishing Payment Rules Service 11a Physical Therapy Services	
10. SUBJECT OF AMENDMENT: Physical Therapy Payment Methodology Change (Date)			
11. GOVERNOR'S REVIEW (Check One): <input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input checked="" type="checkbox"/> OTHER, AS SPECIFIED: <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL: 		16. RETURN TO: Montana Dept. of Public Health and Human Services Mary E. Dalton State Medicaid Director Attn: Jo Thompson PO Box 4210 Helena, MT 59604	
13. TYPED NAME: <u>Mary E. Dalton</u>			
14. TITLE: <u>State Medicaid Director</u>			
15. DATE SUBMITTED: <u>6/28/2010</u>			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: <u>6/28/10</u>		18. DATE APPROVED: <u>8/2/10</u>	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: <u>7/1/20</u>		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: <u>Richard C. Allen</u>		22. TITLE: <u>ARA</u>	
23. REMARKS:			

MONTANA

- I. Reimbursement for Physical Therapy Services shall be:
- A. The lower of:
1. The provider's * usual and customary charge for the service; or
 2. The reimbursement provided in accordance with the methodology described in Section II.
- II. The Department's fee schedule for Physical Therapy Services is determined:
- A. In accordance with the Resource Base Relative Value Scale (RBRVS) methodology, by multiplying Medicare's Relative Value Units (RVU), which is numeric, by the Montana Medicaid specific conversion factor, which is a dollar amount, to equal a fee. Specific to Montana Medicaid, there is an ability to multiply the fee times a policy adjuster (either plus or minus) to affect the fee.
- B. "Resource based relative value scale (RBRVS)" means the version of the Medicare resource based relative value scale contained in the physicians' Medicare Physician Fee Schedule adopted by the Centers for Medicare and Medicaid Services (CMS) of the U.S. Department of Health and Human Services published November 25, 2009.
- C. "Relative value unit (RVU)" means a numerical value assigned in the resource based relative value scale to each procedure code used to bill for services provided by a health care provider. The relative value unit assigned to a particular code expresses the relative effort and expense expended by a provider in providing one service as compared with another service.

- D. The RVUs are adopted from the RBRVS. For services for which the RBRVS does not specify RVUs, the Department sets those RVUs as follows:
- (1) The RVUs for a Medicaid covered service are calculated as follows:
 - (i) if Medicare sets RVUs, the Medicare RVUs are applicable;
 - (ii) if Medicare does not set RVUs but Medicaid sets RVUs, the Medicaid RVUs are set in the following manner:
 - (A) convert the existing dollar value of a fee to an RVU value;
 - (B) evaluate the RVU of similar services and assign an RVU value; or
 - (C) convert the average by report dollar value of a fee to an RVU value.
- E. If there is not a Medicare RVU or Medicaid history data, reimbursement will be 'by report', 'By report' means paying a percentage of billed charges. The percentage is derived by dividing the previous state fiscal year's total Medicaid reimbursement for services included in the RBRVS by the previous state fiscal year's total Medicaid billings.
- F. The agency s rates were set as of July 1, 2010 and are effective for services on or after that date. All rates are published on the agency s website www.mtmedicaid.org. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private providers.

* A provider is a physical therapist licensed in the State of Montana who is enrolled in the Montana Medicaid program.