DEPARTMENT OF SOCIAL SERVICES

Notice of Proposed Medicaid State Plan Amendment (SPA)

SPA 19-Q: Private Psychiatric Residential Treatment Facility (PRTF) Rate Increase

The State of Connecticut Department of Social Services (DSS) proposes to submit the following Medicaid State Plan Amendment (SPA) to the Centers for Medicare & Medicaid Services (CMS) within the U.S. Department of Health and Human Services (HHS).

Changes to Medicaid State Plan

Effective on or after May 1, 2019, SPA 19-Q will amend Attachment 4.19-A of the Medicaid State Plan to implement a rate increase to the per diem rate for privately operated PRTFs. The purpose of this rate increase is to expand access to medically necessary services provided by private PRTFs and to improve the quality of those services.

The increased rate will be $610 per day, which was calculated based on DSS's analysis of the allowable costs reported by privately operated PRTFs on their cost reports. In order to foster improved quality of services and also to ensure appropriate care is provided to children with high levels of clinical acuity, as a condition of receiving the increased rate, within four months after the effective date of the increased rate (with a report due one month later) each PRTF will need to document compliance with several standards established by DSS, including: evidence-based treatment, required provision of therapeutic recreation, required provision of family therapy, transition care coordination and discharge planning, and quality management. After additional information is available based on documentation after implementing these requirements, DSS may implement a quality-based payment methodology in the future.

This SPA will also add language to the state plan summarizing the federal requirement that in accordance with section 1905(a)(16) of the Social Security Act, as amended by section 12005 of the 21st Century Cures Act, each individual receiving PRTF services must have access to any medically necessary early and periodic screening, diagnostic and treatment (EPSDT) services, regardless of whether those EPSDT services are provided by the PRTF.

Fiscal Impact

DSS estimates that this SPA will increase annual aggregate expenditures by approximately $177,000 in State Fiscal Year (FFY) 2019 and $2.1 million in FFY 2020.

Obtaining SPA Language and Submitting Comments

This SPA is posted on the DSS web site at this link: http://portal.ct.gov/dss. Scroll down to the bottom of the webpage and click on "Publications" and then click on "Updates." Then click on "Medicaid State Plan Amendments". The proposed SPA may also be obtained at any DSS field office or the Town of Vernon Social Services Department, or upon request from DSS (see below).

To request a copy of the SPA from DSS or to send comments about the SPA, please email: Public.Comment.DSS@ct.gov or write to: Medical Policy Unit, Department of Social Services, 55 Farmington Avenue, 9th Floor, Hartford, CT 06105 (Phone: 860-424-5067). Please reference "SPA 19-Q: Private PRTF Rate Increase".

Anyone may send DSS written comments about the SPA. Written comments must be received by DSS at the above contact information no later than April 25, 2019.

16. Methods for Establishing Payment Rates for Psychiatric Inpatient Services for Individuals Under 22 or Over 64 Years of Age

1) Private Psychiatric Residential Treatment Facilities (PRTFs) for individuals under age 22. The PRTF statewide per diem rate is a prospective payment model for 24 hour treatment delivered to Medicaid beneficiaries under age 22 receiving services within a PRTF. The PRTF per diem payment is for routine diagnostic testing and for active treatment prescribed on youth's plan of care delivered in and by a PRTF. In accordance with section 1905(a)(16) of the Social Security Act, as amended by section 12005 of the 21st Century Cures Act, each individual receiving PRTF services must have access to any medically necessary early and periodic screening, diagnostic and treatment (EPSDT) services, regardless of whether those EPSDT services are provided by the PRTF. Such medically necessary EPSDT services, not otherwise included in the PRTF rate when those services are reflected in the youth's plan of care may be billed directly to Medicaid and will be reimbursed based on the applicable payment methodology for the provider as described in Attachment 4.19-B of the Medicaid State Plan. Such services for which Medicaid providers may reimbursed directly include medically necessary services and/or supplies, including, but not limited to, dental, vision, diagnostic/radiology, prescribed medications; and diagnostic testing and assessments for the issues listed below that are critical to appropriate discharge planning: fire-setting risk, psychosexual dangerousness, autism spectrum disorder and neuropsychological impairment.

Payment rates do not include costs of providing any non-coverable services or educational services, case management and rehabilitation planning services provided by an entity other than the PRTF to support transition back to the community. Payment may not be duplicative of services for which payment is included in the PRTF's per diem rate.

a. The sources used to develop the PRTF statewide per diem rate include:

a.1. Annual PRTF Cost Reports (cost reports) and utilization data from private providers of PRTF services in Connecticut. The cost reports utilized by providers were developed by the Department of Social Services (department). The department adhered to Publication 15, Provider Reimbursement Manual.
a.2. Subject matter expertise with broad cost reporting experience.
a.3. Subject matter expertise with developing mental health payment models.
a.4. Direct service providers' compensation benchmarking statewide data from the Connecticut Department of Labor.
a.5. National Forecasts for Consumer Price Indexes as provided on line titled All Items-Urban(CUS0NS) from Table 5 of the IHS Healthcare Cost Review for Individual Price Indexes. A projected increase or decrease in the consumer price index for urban consumers was calculated for the twenty-four months between the mid-point of the cost period and the mid-point of the rate year.
a.6. Private providers' budget forecasts and financial statements.

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

b.1. Child maintenance services including 24 hour care, room and board, and administrative services. Costs of child maintenance services including facility personnel, food and occupancy expenses (janitorial, maintenance, rent, property taxes, etc.) are reported on the Annual PRTF Cost Report (item a.1).

b.2. Medical services including psychiatric, medical and ancillary services not limited to therapeutic services provided by PRTF staff; active treatment services including, but not limited to, individual, group and family therapy; routine diagnostic testing and assessment, case management, and discharge planning provided in and by the PRTF.
Costs of medical services are reported on the Annual PRTF Cost Report (item a.1.).

b.3. Registered Nurse (RN) staffing on-site 24 hours per day, 7 days per week (24/7 coverage). Costs of RN staffing are determined using three full-time equivalent (FTE) salaries with benefits; training and on-going education; and an additional amount to assure a 24/7 coverage during vacations and other leave times.

c. Provider Reimbursement

The PRTF statewide per diem rate shall is payment in full for costs associated with daily care, administrative services, and room and board as described above in section b.

Services not otherwise included in the PRTF rate when these services are reflected in the youth's plan of care may be billed directly to Medicaid by providers delivering these services. Except as otherwise noted in the plan, payment for necessary services not included in the PRTF statewide per diem rate is based on state-developed fee schedule rates, as applicable. Rates effective May 1, 2019 are published on the agency's website at www.ctdssmap.com. Select "Provider", then select "Provider Fee Schedule Download".

PRTF statewide per diem payments will be made to a PRTF provider for no more than three (3) patient days per youth for reserving a bed while the youth is temporarily absent for a therapeutic home visit (THV).

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Pursuant to 42 C.F.R. § 431.52, PRTF services shall be provided in an out-of-state setting if medically necessary and no suitable treatment option is found in Connecticut. Payments will be made to out-of state private PRTF providers for the delivery of PRTF services at the approved Medicaid State Plan rate paid to such provider by the Medicaid program in the state in which the provider is located. If such a rate does not exist, PRTF statewide per diem payments will be made by the department at the PRTF statewide per diem rate listed in item d. below to out-of state providers for the PRTF services furnished to Connecticut clients while they are out-of-state.

d. Payment Rates

The PRTF statewide per diem rate effective May 1, 2019 is $610.00 per day.

e. Quality Standards for Increased Rate

As a condition for payment, each PRTF must document compliance with the following elements to the Department of Social Services no later than September 1, 2019 (with a report due to DSS no later than October 1, 2019), of the following:

1. Evidence Based Treatment: PRTFs must document the specific evidence based treatments being delivered and the plan to ensure staff are trained in the model(s).

2. Therapeutic Recreation: PRTFs must describe the type and expected frequency of therapeutic recreation activities in their compliance report.

3. Family Therapy: Family therapy is a required component of the PRTF services. PRTFs must demonstrate that family therapy is a component of treatment plans and is occurring on a regular basis for every child. Family therapy may include any person that the child and the provider deem to be a healthy and caring individual in the child's life and one that will participate in the child's progress upon discharge from the PRTF.

4. Transition Care Coordination: The discharge planning process must be considered from the very earliest point of admission to a PRTF level of care. This staff person will conduct home visits and maintain contact with the family/caregiver and child post discharge from the PRTF for up to sixty (60) days to increase the likelihood of a successful transition. PRTFs will be required to identify a Transition Care Coordinator that will fulfill this role and document the hours per week in this role.

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5. Quality Management: In order to maintain and sustain quality clinical programming and individualized treatment planning for children, PRTFs must institute a formal Quality Management Plan. The Quality Management must include, but is not limited to hiring processes that attract the most qualified and diverse individuals, ensure that staff and administration are trained and receive ongoing training in the following areas:

    a. Individualized treatment plans using the principles of the Wellness Recovery Action Plan.
    b. Individualized clinical interventions
    c. Individualized family interventions
    d. Individualized discharge plans that must include crisis prevention plans
    e. Supervision of clinical and non-clinical staff
    f. Clinical de-escalation
    g. Critical incidents/Adverse incident (identifying, documenting, debriefing, reporting)
    h. Documentation of clinical records

6. DSS may require additional documentation and reporting from each PRTF as necessary to ensure compliance with the requirements in this section, including regular reports and other documentation. After receiving and analyzing information regarding these PRTF services, DSS may implement additional quality standards and a value-based payment methodology by submitting one or more Medicaid State Plan Amendments.