

LEGAL NOTICE

NEW HAMPSHIRE DEPARTMENT OF HEALTH AND HUMAN SERVICES

5/24/23 public notice posted to:

<https://www.dhhs.nh.gov/programs-services/medicaid/medicaid-state-plan-public-notices>

State Plan Amendment NH-23-0016: State Government-Owned and Out-of-State Psychiatric Residential Treatment Facility (PRTF) Rates and Rate Methodology

State Government Owned Psychiatric Residential Treatment Facility (PRTF)

Notice is hereby given that the New Hampshire (NH) Department of Health and Human Services (the Department) is proposing to amend the Title XIX State Plan to include the Medicaid reimbursement rate methodology for the State's first Psychiatric Residential Treatment Facility (PRTF), effective May 30, 2023, following the June 2022 purchase of Hampstead Hospital and Residential Treatment Facility.

The Department estimates the following fiscal impact as a result of the purchase:

Hampstead Hospital PRTF	Non-Federal Fiscal Impact	Federal Fiscal Impact	Total Fiscal Impact
(portion of) Federal Fiscal Year 2023 5/30/23 – 9/30/23	\$745,513	\$745,513	\$1,491,026
Federal Fiscal Year 2024 10/1/23 – 9/30/24	\$2,212,294	\$2,212,294	\$4,424,588

Proposed rate: Effective May 30, 2023, the PRTF statewide per diem rate is \$1,010.18.

Final rate: Final rates will be based upon audited costs.

Methodology: The PRTF statewide per diem rate is a prospective payment model for 24-hour treatment for services within a PRTF delivered to Medicaid recipients under age 21 (or under age 22 for those receiving services immediately before turning 21, and not exceeding the date the recipient reaches the age of 22). The PRTF per diem payment is for services provided to a PRTF resident, as described in Attachment 4.19-B of the Medicaid State Plan.

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

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

1. Budget forecasts and financial statements from private providers approved for contracted residential services within New Hampshire;
2. Direct service providers' compensation benchmarking statewide data from the Bureau of Labor Statistics; and

3. A projected increase or decrease in the Centers for Medicare and Medicaid Services (CMS) Market Basket index for Inpatient Psychiatric Facilities was calculated for the 24 months between the mid-point of the base period and the midpoint of the rate year.

The PRTF statewide 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;
2. Medical and Rehabilitative services to meet the health and rehabilitative needs of a child to address their physical, intellectual, medical, and emotional needs.
3. Registered nurse (RN) staffing on-site 24 hours per day, 7 days per week (24/7 coverage).

Provider reimbursement:

The PRTF statewide per diem rate shall be paid in full for costs associated with daily care, administrative services, and room and board.

Medically necessary services not otherwise included in the PRTF rate may be billed directly to Medicaid by providers delivering these services. Payment for necessary services not included in the PRTF statewide per diem rate is based on state-developed fee schedule rates, as applicable. All fee schedules are accessible at www.nhmmis.nh.gov, under the “documents and forms” tab under “documentation,” and apply to all public and private providers.

PRTF statewide per diem payments will be made to a PRTF provider for reserving a bed according to the methodology described in Attachment 4.19-C page 2 of the Medicaid State Plan.

Pursuant to 42 CFR § 431.52, PRTF services shall be provided in an out-of-state setting if medically necessary and if no suitable treatment option is found in New Hampshire. The reimbursement rate for PRTF services in out-of-state facilities will be negotiated between the Department and the facility providing the services.

State government-owned providers:

As calculated, the statewide PRTF per diem rate shall be paid as an interim rate to state government-owned PRTF providers. The reconciliation process of the interim rate shall be based on Medicare-audited costs from the Medicare cost report applied to the Medicaid Fee-for-Service (FFS) population.

Medicaid claim days and payments for FFS days with dates of service in the cost report year are taken from the Medicaid Management Information System (MMIS). The allowable inpatient routine service cost is multiplied by the total MMIS Medicaid claim days divided by the total days, resulting in the total allowable Medicaid FFS costs for the cost report year. The total payments made from the inpatient claims data, and any other payments made towards the applicable Medicaid service, including third-party payments and patient cost sharing, are deducted from the total audited allowable Medicaid FFS costs for the cost report year to identify unreconciled inpatient costs.

Overpayments as a result of a lower audited cost compared to payments received shall be recouped from the provider as a financial transaction in MMIS. Underpayments shall be paid as a financial transaction in MMIS to the provider. Reconciliations of costs are performed within 90 days of the Department’s receipt of the audited Medicare cost report.

Out-of-State PRTFs

Effective May 30, 2023, the Department is clarifying Medicaid State Plan language regarding payment for out-of-state PRTFs. This language addition clarifies the methodology already in place for payment for out-of-state PRTFs.

There is no fiscal impact expected as a result of this language revision.

Inpatient Psychiatric Facilities Services for Individuals Under 21 Years of Age Service Benefit

Effective May 30, 2023, the Department is clarifying Medicaid State Plan language regarding the service benefit category termed 'Inpatient Psychiatric Facilities Services for Individuals Under 21 Years of Age.' These services are limited to beneficiaries under the age of 21 or those receiving PRTF services immediately before turning 21, and not exceeding the date the beneficiary turns age 22. The benefit was previously located in Attachment 4.19-B of the Medicaid State Plan, along with other outpatient benefits, but following technical assistance with the CMS, it is being moved to Attachment 4.19-A, which covers inpatient benefits to reflect PRTFs' provision of inpatient services, including room and board. In addition to the above, non-substantive edits were made to Attachment 4.19-C page 1 of the Medicaid State Plan, updating language to conform to modern terminology.

Copies of the draft State Plan pages describing the proposed updates will be available June 6, 2023. Please contact Jody Farwell at (603) 271-9421 or via e-mail to jody.l.farwell@dhhs.nh.gov to request copies. The amendments to the NH Medicaid State Plan pages may undergo further revisions before and after submittal to the CMS based upon public comment or CMS feedback. Comments will be due on or before June 13, 2023, and should be e-mailed to jody.l.farwell@dhhs.nh.gov or sent to the Department of Health and Human Services, Division of Medicaid Services, 129 Pleasant Street- Brown Building, Concord, NH 03301-3857, ATTN: Jody Farwell.