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Methods and standards for Determining Payment Rates for Services Provided by Psychiatric Residential Treatment Facilities as Described in Item 16 of Attachments 3.1-A and 3.1-B.

Providers of services delivered to a child residing in a psychiatric residential treatment facility (PRTF) are paid a per diem. The per diem is a provider specific rate informed by annual cost reporting performed by each individual provider. Providers report costs using a state-developed cost report. The per diem includes costs for the following three components:

1. Allowable direct services expenditures. Direct service expenditures include costs associated with the program's treatment team (salaries training and fringe), service-related transportation, and costs for contracted staff participating on the treatment team. This does not include costs associated with services provided under arrangement.
2. Allowable administrative costs. Administrative costs include, but are not limited to, administrative staff costs (salary and fringe), insurance, professional dues, and supplies.
3. Allowable room and board costs. Room and board costs include all costs related to housing the recipient.

Per diem rates are informed by cost reporting using the actual experience of all providers during the previous calendar year. The Department recalculates payment rates annually and implements the new rates July 1 of each year.

Effective for rate years beginning on and after January 1, 2024, per diem rates for PRTF services must be annually adjusted for inflation using the Centers for Medicare and Medicaid Services Inpatient Psychiatric Facility Market Basket. The inflation adjustment must be based on the indices as forecasted for the midpoint of the previous rate year to the midpoint of the current rate year.

Therapeutic leave days, as described in Attachment 4.19-C, are paid at 75% of the established per diem rate.

Hospital leave days as described in Attachment 4.19-C, are paid at 50% of the established per diem rate.

Services provided under arrangement to a recipient residing in a PRTF are reimbursed for the particular service as described in Attachment 4,19-B.