

## **Table of Contents**

**State/Territory Name: KY**

**State Plan Amendment (SPA) #: 23-0024**

This file contains the following documents in the order listed:

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

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Centers for Medicare & Medicaid Services  
7500 Security Boulevard, Mail Stop S3-14-28  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

November 15, 2023

Lisa D. Lee  
275 East Main Street  
Frankfort, Kentucky 40621

**RE: TN 23-0024**

Dear Commissioner Lee,

We have reviewed the proposed Kentucky State Plan Amendment (SPA) 23-0024, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on August 18, 2023. This SPA proposes an amendment to the State Plan to increase Psychiatric Residential Treatment Facility (PRFT) rates to \$500 per day for Level I and \$600 per day for Level II.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(13), 1902(a)(30), and 1903(a) of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment KY 23-0024 is approved effective September 1, 2023. We are enclosing the CMS-179 and the amended plan pages.

If you have any additional questions or need further assistance, please contact Douglas Spitler at [douglas.spitler@cms.hhs.gov](mailto:douglas.spitler@cms.hhs.gov)

Sincerely,

A red rectangular box with a black horizontal line through the center, used to redact the signature of Rory Howe.

Rory Howe  
Director

Enclosures

**TRANSMITTAL AND NOTICE OF APPROVAL OF  
STATE PLAN MATERIAL  
FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES**

1. TRANSMITTAL NUMBER

2. STATE

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL  
SECURITY ACT

XIX

XXI

TO: CENTER DIRECTOR  
CENTERS FOR MEDICAID & CHIP SERVICES  
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

5. FEDERAL STATUTE/REGULATION CITATION

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)

a. FFY \_\_\_\_\_ \$ \_\_\_\_\_

b. FFY \_\_\_\_\_ \$ \_\_\_\_\_

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION  
OR ATTACHMENT (If Applicable)

9. SUBJECT OF AMENDMENT

10. GOVERNOR'S REVIEW (Check One)

GOVERNOR'S OFFICE REPORTED NO COMMENT  
COMMENTS OF GOVERNOR'S OFFICE ENCLOSED  
NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

OTHER, AS SPECIFIED:

11. SIGNATURE OF STATE AGENCY OFFICIAL

15. RETURN TO

12. TYPED NAME

13. TITLE

14. DATE SUBMITTED

**FOR CMS USE ONLY**

16. DATE RECEIVED  
August 18, 2023

17. DATE APPROVED

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
September 1, 2023

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL

21. TITLE OF APPROVING OFFICIAL

Rory Howe

Director, Financial Management Group

22. REMARKS

## 9. Payments for Inpatient Psychiatric Facility Services for Individuals Under 22 Years of Age

- A. Covered inpatient psychiatric facility services for individuals under 22 years of age provided in psychiatric hospitals are paid in accordance with the provisions described in Attachment 4.19-A
- B. Covered inpatient psychiatric facility services for individuals under 22 years of age provided in licensed psychiatric resident treatment facilities (PRTFs) are paid in accordance with the following:

## Level I PRTF

To be reimbursable under the Medicaid Program, Level I PRTF services and associated costs, respectively, shall be provided to or associated, respectively, with a recipient receiving Level I PRTF services in accordance with Attachment 3.1-A, Section 16 - Psychiatric Residential Treatment Facility Services for Level I and II for Individuals under 22 years of age.

- 1 The department shall reimburse for Level I PRTF services and costs for a recipient not enrolled in a managed care organization at the lesser of a per diem rate of \$500; or the usual and customary charge
- 2 The per diem rate shall be increased annually by the Medicare Economic Index.
- 3 The per diem or the usual and customary charge if less than the per diem rate, shall represent the total Medicaid reimbursement for Level I PRTF services and costs:
  - (a) Including all care and treatment costs;
  - (b) Including costs for all ancillary services;
  - (c) Including capital costs;
  - (d) Including room and board costs; and
  - (e) Excluding the costs of drugs as drugs shall be covered and reimbursed under Kentucky's pharmacy program in accordance with 907 KAR Chapter 23.

## Level II PRTF

To be reimbursable under the Medicaid program, Level II PRTF services and associated costs, respectively, shall be provided to or associated, respectively, with a recipient receiving Level II PRTF services in accordance with Attachment 3.1-A, Section 16 - Inpatient Psychiatric Residential Treatment facility Services for Level I and II for Individuals under 22 years of age.

- 1 The department shall reimburse a per diem rate as follows for Level II PRTF services and costs for a recipient not enrolled in a managed care organization at the lesser of a per diem rate of \$600; or the usual and customary charge.

- 2 The per diem rate shall be increased annually by the Medicare Economic Index.
- C. The per diem rates, or the usual and customary charge if less than the per diem rate, shall represent the total Medicaid reimbursement for Level II PRTF services and costs:
- (a) Including all care and treatment costs;
  - (b) Including costs for all ancillary services;
  - (c) Including capital costs;
  - (d) Including room and board costs; and
  - (e) Excluding the costs of drugs as drugs shall be reimbursed via the department's pharmacy program