South Carolina Department of Health and Human Services
Medical Care Advisory Committee
Item for Committee Advisement

PREPARED BY: Jeff Saxon, Program Manager II, Office of Finance and Administration

PRESENTED BY: Jeff Saxon, Program Manager II, Office of Finance and Administration

DATE: January 17, 2014

SUBJECT: Private and non state owned governmental Psychiatric Residential Treatment Facility (PRTF) rate update effective January 1, 2014.

OBJECTIVE: To increase the private and the one non-state owned governmental PRTF Medicaid reimbursement rates effective for services provided on or after January 1, 2014 by five percent (5%).

BACKGROUND: The South Carolina Department of Health and Human Services is in the initial phases of developing a new payment methodology for contracting private and governmental PRTFs. Because the development of new payment methodology may take several months and the last rate increase received by PRTFs was September 1, 2008 (which was later followed by a three percent (3%) decrease effective April 8, 2011), a decision was made by the Department to increase the current private and non-state owned governmental PRTF rates effective January 1, 2014 by five percent (5%).

BUDGETARY IMPACT: Annual aggregate Medicaid expenditures are expected to increase by approximately $1.456 million (total dollars).

EXPECTED OUTCOMES: Medicaid recipient access to private and non-state owned governmental PRTF services will be maintained/may be improved.

EXTERNAL GROUPS AFFECTED: Private and non-state owned governmental PRTF facilities and Medicaid recipients.

RECOMMENDATION: Move to amend the current state plan to increase the current PRTF rates by five percent (5%) for the private and non-state owned governmental PRTF facilities effective for services provided on and after January 1, 2014.

EFFECTIVE DATE: January 1, 2014