

State West Virginia

ATTACHMENT 4.19-A-2

4.19 Payments for Medical and Remedial Care and Services

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INPATIENT PSYCHIATRIC FACILITY SERVICES FOR INDIVIDUAL UNDER 22 YEARS OF AGE

Payment is based on a cost-base retrospective reimbursement system determined by applying the standards, cost reporting periods, cost reimbursement principles, and method of cost apportionment used under title XVIII of the Social Security Act, prior to the Social Security Amendments of 1983 (Section 601, Public Law 98-21). That is, payment is to be determined by the current Medicare Principles methodology of cost-based reimbursement.

Interim payments are made based on a percentage of charge for all in-state facilities as well as out-of-state facilities that have a high utilization rate. A per diem rate will be utilized for low volume out-of-state facilities based on the most recent cost information submitted by the facility. Low volume out-of-state facilities are defined as those who serve only four to five Medicaid recipients on an annual basis. Interim payments will be reconciled to allowable cost by State agency staff using their first full fiscal years beginning after April 1, 1995. For purposes of determining initial payment rates for psychiatric services for individuals under age 22, exceptions to the Medicare payment principles will not be applied. Tests of reasonableness, appropriateness, and necessity, as demonstrated in Medicare Regulations, will be applied to the determination of these factors pending audit and final settlement.

Final payment and settlement will be made subsequent to audit by the State agency of filed cost reports and supporting financial documentation, as detailed in Medicare Regulation. Final payment determinations will not consider the incentive and cost sharing amounts provided for in the Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 (Public Law 97-248).

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