



Automated Medical Payments

Medicaid Bulletin Colorado Title XIX

Fiscal Agent

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Medicaid bulletins contain important policy and billing information and should be shared promptly with billing staff.

Bulletins supplement information in the Medicaid Provider Manual and should be retained with the provider manual for reference. Retain all bulletins until published notification advises that the information is obsolete or reproduced in subsequent bulletins or provider manual updates.

Please direct questions about bulletins and billing information to Medicaid Provider Services.

Distribution: RTC providers

January 2001

Reference: B010088

RTC rules and reimbursement

This bulletin clarifies Medicaid rules for Residential Treatment Center (RTC) utilization of and payment for foster care placements.

Residential Treatment Center (RTC) rates

[Health Care Policy and Financing (HCPF) Volume 8, Section 8.765.50]

1. Service rates are all-inclusive daily fees. 'All inclusive' means that all needed treatment services are covered by the rate.
2. Third party payments generally reduce or offset the Medicaid payment.
Example: The RTC treatment rate is \$100 per day. If other coverage pays \$20 per day toward treatment cost, the amount billable to Medicaid is \$100 - \$20 or \$80.
3. A county department may negotiate a rate with a provider in the Residential Child Care Facility (RCCF) category. The negotiated rate is paid from the county's out of home (80% State/20% County) allocation, and does not include Medicaid funds.

Level of Care restrictions

Medicaid rules prohibit the following:

- Overrides of the level of care established by the Colorado Client Assessment Record (CCAR) score;
- Enrollment of a class of clients or reimbursement for a specialized program at other than the CCAR determined score and rate;
- Additional payment to a provider to increase the established treatment rate;
- Negotiation of a higher room and board rate to supplement the Medicaid treatment rate for services defined as treatment in HCPF Volume 8.

These restrictions apply to any Child Welfare or Division of Youth Corrections placement accessing Medicaid fee for service through the RTC section of the Child Welfare block appropriation. The restrictions do not apply to RTC placements made by other agencies or individuals, or not paid by Medicaid fee for service funds.

The level of care restrictions are not retroactive to placements made prior to these clarifications. Counties and providers may request a new CCAR assessment and level of care change if the CCAR score dictates. The level of care change must be processed through the Colorado Foundation for Medical Care (CFMC).

A State/county/provider workgroup is reviewing RTC rules and reimbursement. The goals of the workgroup include assuring that reimbursement to RTC providers for difficult to place youth is reasonable, and enhances the flexibility of counties to make appropriate placements in RTCs. It is possible that some of the restrictions in this bulletin will be eliminated through a Volume 8 rule revision. For information regarding the workgroup or if you have questions regarding this bulletin, contact:

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