

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Chief Financial Officer



2007 JUN 28 PM 2: 59

Natwar M. Gandhi  
Chief Financial Officer

**MEMORANDUM**

CHAIRMAN GRAY

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** JUN 28 2007

**SUBJECT:** Fiscal Impact Statement – “Medicaid Psychiatric Residential Treatment Facilities State Plan Amendment Approval Resolution of 2007”

**REFERENCE:** Draft Bill - No Number Available

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**Conclusion**

Funds are sufficient in the FY 2007 budget and the proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed resolution. The cost of changing the name of the residential treatment facilities to Psychiatric Residential Treatment Facilities (PRTFs) can be absorbed by existing agency resources.

**Background**

The proposed amendment to the State Plan Amendment (SPA) would a) clarify the appropriate provider name for inpatient psychiatric services provided to children and adolescents and b) clarify the Medicaid reimbursement methodology (fee schedule) for Psychiatric Residential Treatment Facilities (PRTFs).<sup>1</sup>

In a site visit to the District in the summer of 2006, the U.S. Department of Health and Human Services (HHS), Centers for Medicaid and Medicare Services (CMS) indicated that the appropriate provider name for the provision of inpatient psychiatric services to children and adolescents was the Psychiatric Residential Treatment Facility (PRTF). The Department of Health, Medical Assistance Administration (MAA) has previously referred to the providers as either Residential Treatment Facilities or Residential Treatment Centers. MAA has agreed to

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<sup>1</sup> This is *not* a change in the fee schedule, but rather, a clarification given the name change of the referenced facility to “Psychiatric Residential Treatment Facility.”

submit a State Plan Amendment that makes the State Plan consistent with CMS guidance concerning naming conventions. This does not change in any way the services provided to adolescent children.

### **Financial Plan Impact**

Funds are sufficient in the FY 2007 budget and proposed FY 2008 through FY 2011 budget and financial plan to implement the proposed resolution. The cost of changing the name of the residential treatment facilities to Psychiatric Residential Treatment Facilities (PRTFs) can be absorbed by existing agency resources.