



**GEORGIA DEPARTMENT OF  
COMMUNITY HEALTH**

*Tim Burgess, Commissioner*

*Sonny Perdue, Governor*

2 Peachtree Street, NW  
Atlanta, GA 30303-3159  
[www.dch.georgia.gov](http://www.dch.georgia.gov)

November 14, 2005

Mr. Roger Perez  
Acting Regional Administration  
Centers for Medicare and Medicaid Services  
Department of Health and Human Services  
61 Forsyth Street, SW, Suite 4T20  
Atlanta, Georgia 30303-8909

Dear Mr. Perez:

**RE: Deferral Control Number GA/2005/2/E/01/MAP**

This is in response to the September 22, 2005 deferral control number listed above deferring Therapeutic Residential Intervention Services (TRIS) submitted on Form CMS 64 for the quarter ended March 31, 2005. Information and documents to support these TRIS program expenditures are submitted for your consideration. Please do not hesitate to call us if additional information is needed or helpful in your review.

1. CMS Issue: EPSDT rehabilitation services were billed under TCM.

Georgia Response: We acknowledge that Early and Periodic Screening, Diagnosis and Treatment (EPSDT) rehabilitation services were incorrectly billed under Targeted Case Management (TCM) on the CMS 64. We will resubmit, under separate cover, an amended CMS 64.

2. CMS Issue: Public Notice was issued on January 14, 2004, which included a significant change to TRIS reimbursement payment methodology; however, a State Plan Amendment (SPA) was never submitted to reflect this change.

Georgia Response: A Public Notice was issued on January 14, 2004 indicating that the Department of Community Health (DCH) was proposing to convert to a Level of Care System for Therapeutic Residential Intervention Services (TRIS).

- o The Notice stated that the purpose of the proposed change was to support placement services based on a child's need. While this may appear to be a substantial program change, it was an attempt to provide a greater focus on the child's need through appropriate screening and clinical assessment of the medical, psychological, social, educational and other needs of the child in the development of an individual service plan for those children with emotional disturbances needing therapeutic services for

behavioral health illness and conditions identified in the screening and assessment. Its purpose was to ensure the most appropriate and least restrictive treatment and service environment for children needing these services. These goals are not new to the TRIS program.

- The Public Notice indicated the types of placements that would be used: therapeutic foster care, basic institutional foster care, intermediate residential treatment facilities, and intensive residential treatment facilities. There was no change in the type of placements that would be used, as these types of placements have been used for several years to provide a service continuum from least restrictive community based to most restrictive facility based when therapeutic out-of-home care is needed.
  - The Public Notice indicated that rates have been established not to exceed actual costs, adjusted for inflation. Federally approved 1994 and 1999 Medicaid State Plan Supplements established a methodology for payment rates for medically necessary services for EPSDT recipients, when such services are not normally covered under the general Medicaid State Plan. The methodology stated that the reimbursement for child and adolescent mental health services provided would be based on reasonable costs from annual provider cost reports, and that rates would not exceed actual cost, adjusted for inflation. Since the inception of the TRIS program, annual cost reports have been used as the basis for the State to determine and assure that rates are established that are reasonable and adequate to meet the costs of efficient and economically operated facilities to provide TRIS services and to ensure service access. Reasonable and adequate Medicaid reimbursements for treatment services are linked to approved provider's actual cost of providing the service as documented through annual cost reports, time studies and audit reports. Rates may be established on a statewide basis, class basis, or institution by institution basis. Instead of rates on an institution by institution basis, rates were established on a statewide basis, taking into account costs for like programs that would meet the service level needs of children. Rates are set at a percentile of costs, or a median cost to ensure that rates are reasonable and encourage efficiency and do not exceed actual allowable cost. A Medicaid State Plan Supplement was not considered necessary, as reimbursement rates were established based on reasonable costs from annual provider cost reports, and rates did not exceed actual allowable costs as outlined in the most recent Medicaid State Plan Supplement.
  - An example of a rendering provider's annual time study, cost report and audit is included as *Attachment 1*. Annual Cost Report and Time Study Instructions are also included for your review as *Attachment 2*. We are available to review the cost finding and rate setting processes utilizing this information in further detail at your convenience.
3. CMS Issue: The actual date of service is not used, instead DHR and DJJ use one CMS 1500 to cover an entire treatment period for a child, which violates State Medicaid Manual 5320.2. (b). Instead we found that time studies document the number of services rendered.

Georgia Response:

- The actual dates of services, as well as the units of services are listed on the CMS 1500. The unit of service for the TRIS program is a day, and only one unit of service per date of service will be reimbursed. TRIS bills are generally submitted indicating the number of units of service provided during a month period. Submission of reimbursement claims that allow providers to span dates of services is a common practice in the Medicaid Manual in certain categories of services, such as nursing home services, home health, Community Care Services Program, and Community Habilitation and Support Services, among others. Additionally, we contend that federal CMS was aware of the daily rate structure that Georgia planned to use, as well as it would be for a date span. Georgia's rate structure methodology for rehabilitative services is similar to that of many other states providing similar services.
- As required by State Medicaid Manual 5320.2 (b), a claim is submitted by individual child name and identification indicating that a unit of TRIS was provided, the number of units of service provided, and the primary condition or diagnosis needing treatment. *Attachment 3* provides a summary of the claims information submitted for TRIS for the quarter ended March 31, 2005. These claims are rebills for February 2004 service month that were submitted on 8/2/04; and March 2004 service month which were originally submitted on 8/30/04. These claims needed to be resubmitted, for example, to correct a child's name or Medicaid number. Records of telephone contacts with providers are maintained in child case files by the DFCS or DJJ case manager. An individual service plan (ISP) that describes conditions needing treatment, and therapeutic treatment objectives is maintained by the provider on each child being served. Utilization reviews are conducted by qualified state or regional staff, at a minimum, every six months to ensure that continued therapeutic service is appropriate for the child, to review treatment outcomes or objectives, and to assess whether the service is the least restrictive treatment and service environment for the child.
- The State agencies (DHR and DJJ), which bill the State Medicaid agency as "providers" of services, pay the child care institutions on the basis of per diem negotiated rates. The State agencies have claimed as Medicaid expenditures a portion of each per diem payment that corresponds to a portion of a TRIS program devoted to treatment. The relative portions of the program devoted to treatment, room/board/maintenance, and other services have been established on the basis of time studies and reported costs for rate setting purposes. These two reports are used to find costs and allocate those costs to the work performed and the children served. The time study determines what work is done, and the cost report provides information on costs to allocate. The time study is conducted during a two-week period, and captures information on tasks performed or services provided in 15-minute intervals. These reports are used to determine the actual cost of providing care, and to find each program's per day per child cost to set the median cost or a percentile of cost to set the payment rate. Additionally annual cost reports, time studies and audit reports are used to document that reimbursements are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide the services in accordance with applicable requirements. As indicated above, a child day of TRIS service is documented and a

claim is submitted by individual child name and identification indicating that a unit of TRIS was provided, the number of units of service provided, and the primary condition or diagnosis needing treatment. To clarify, time studies are used to find actual allowable costs from a past annual period for rate-setting purposes; time studies are not used to establish that a service was provided or as a basis for billing.

4. **CMS Issue:** Review of the TRIS program at five facilities revealed that only a small amount of services were actually valid Medicaid medical services and questioned whether the personnel rendering the services were qualified providers.

Georgia Response:

- Federally approved 1994 and 1999 Medicaid State Plan Supplements established a methodology for payment rates for medically necessary services for EPSDT recipients, when such services are not normally covered under the general Medicaid State Plan. FFP is available for Medicaid services provided to recipients through an arrangement under Code of Federal Regulation (CFR) Title 42, Volume 3, Part 431.615. Rehabilitation Services, as described in Section 440.130, are provided under the TRIS program. Rehabilitation services includes any medical or remedial services recommended by a physician or other licensed practitioner of the healing arts, within the scope of their practice under State law, for a maximum reduction of the physical or mental disability and restoration of a child to their best possible functional level.
- Under TRIS, residential rehabilitative supports provide for the treatment of behavioral health problems of emotionally disturbed children in the custody or under the supervision of the state. TRIS provides mental health treatment and intervention for all levels of emotionally disturbed eligible Medicaid recipients with dysfunctional behaviors and psychiatric conditions which prevent or jeopardize residency with the family or in a setting less restrictive than therapeutic out-of-home care. Services are based on an assessment of the medical, psychological, social, educational and other needs of the child; and an individual service plan.
- Covered therapeutic services include individual and group activities and programming to:
  - plan and support behavioral treatment, to assist a child in gaining access to necessary care and services as outlined in the child's individual treatment plan, such as:
    - intake and assessment,
    - development of care plan, and
    - coordination and advocacy,
  - restore and develop life skills in functional areas which interfere with the child's ability to live in the community:
    - ensuring health, safety and well-being of the child,
    - ensuring the child's behavior is consistent with the overall treatment plan,
    - providing guidance and direction to children in coping with the problems of day-to-day living,
    - monitoring the child's interaction with peer and staff, and

- teaching restorative independent living skills to facilitate the child's transition from therapeutic residential care to more independent living.
- live more independently,
- develop or maintain social relationships or to independently participate in social, interpersonal or community activities,
- provide counseling, therapy, consultation and assessments – individual, group or family to address personal problems or behaviors and to restore the child to his or her best possible functioning level, and
- provide or arrange for medical treatment including: medication administration, medication reviews, writing prescriptions, medical exams, diagnosis or treatment.
- The DHR and DJJ and some of the more intensive service programs are enrolled in the Medicaid program. Therapeutic services may be provided by either Department itself, or by an agency under contract/agreement with the Department. We are in the process of directly enrolling TRIS providers in the Medicaid program.
- Potential TRIS providers must apply for and receive a license from the DHR Office of Regulatory Services. Inspections of facilities are made. Agencies are initially issued a temporary license because their license is based on their policies and procedures. Once licensure has been able to determine that a facility is implementing their policies and procedures based on a review of files of children in care, a continuing license is issued. They do not get another license after the continuing license is issued unless there is a need for an amendment to that license. Examples of licensure information for some of the rendering providers included on the March 31, 2005 claim are as follows:
  - United Methodist Children's Home of Decatur received their initial license on 1/01/1970. Annual licensure reviews were conducted on 4/28/05; 4/21/04 and 3/12/03.
  - Families First received their initial license on 1/01/01. Annual licensure reviews were conducted on 9/22/04; 9/10/03; and 9/18/02.
  - Youth Development Corporation received their initial license on 1/01/01. Annual licensure reviews were conducted on 10/25/04; 11/3/03 and 01/02/03.
  - Licensure information on other facilities can be provided if needed.
- **Rehabilitative services under TRIS are provided by the licensed or certified providers.** It is the provider that is licensed to provide the service, and state licensure requirements set forth the staff qualifications for services. Individual licensed practitioners are not required when they are providing services under the auspices of the licensed entity to provide this service. Within broad national guidelines established by Federal statutes, regulations, and policies, each State (1) establishes its own eligibility standards; (2) determines the type, amount, duration, and scope of services; (3) sets the rate of payment for services; and (4) administers its own program. As allowed, licensure and program standards indicate the personnel qualifications required and supervision requirements to provide TRIS rehabilitative services.
  - For example, therapeutic camp licensure standards require that the Administrator or Executive Director shall have a masters degree from an accredited college or university and a minimum of three years in increasingly responsible experience in

the human service, mental health or health care field or a bachelors degree plus 5 years experience in the field of child care, human services, mental health, at least 2 of which includes supervisory and/or administrative responsibility.

- The licensed provider shall employ and provide training and supervision for an adequate number of staff necessary to ensure the health and safety of the campers.
  - There shall be a written plan for staff supervision of the therapeutic groups. The plan shall include the line of supervision, support staff, their location and accessibility.
  - The staff member with primary responsibility for planning, developing, implementing treatment services, supervising staff who deliver the treatment and ancillary services, and developing in-service training shall have a master's degree in psychology, social work, education or other related fields and experience and/or training in working with children in an outdoor therapeutic environment.
  - Each camp will have a social service worker on staff that will have at least a bachelor's degree from an accredited college or university. Social service workers with less than formal graduate training in social work shall have a minimum of an average of two hours per week supervision/consultation from a professionally trained (MSW) social worker or person with equivalent professional training.

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  - Each Camp shall employ or contract with an adequate number of qualified staff who provide professional services, e.g. physicians, dentists, psychiatrists, psychologists, teachers, nurses, recreation therapists and other specialists as those services may be appropriate or needed to provide the treatment program. All specialists used by the Camp shall be qualified and/or licensed in their respective professional fields.
  - Other types of providers have similar licensure or program standards outlining staffing requirements and qualifications. Licensure standards for residential child care providers, as well as licensed providers can be found at: [www.ors.dhr.state.ga.us](http://www.ors.dhr.state.ga.us).
  - Potential TRIS providers must apply for and receive approval by the DHR or DJJ to become enrolled providers. The Application and Enrollment Package is included as *Attachment 4*. TRIS program standards, as well as enrolled providers can be found at: [www.galocweb.com](http://www.galocweb.com) under the Provider tab.
5. CMS Issue: CMS requests the state to provide documentation in a readably reviewable form supporting the FFP amount of \$144,016 illustrating actual services rendered to eligible recipients, inclusive of the qualified provider, each individual date and time of service noting the appropriate diagnosis.
- Georgia Response: Documents are attached to support the FFP claimed on the March 31, 2005 CMS 64.
- As indicated previously, *Attachment 3* provides a listing of the claims data submitted for the TRIS program for the quarter ended March 31, 2005. The spreadsheet includes information the Medicaid claim number, dates of service, number of units of service, provider identification number, rendering provider

- information, child Medicaid number, child names, Medicaid procedure code, principle diagnosis, and net payment.
- These services were provided to eligible recipients, as documented by:
    - the child or youth being Medicaid eligible, and
    - receiving a service authorization for TRIS which requires that the child have a DSM IV or V code diagnosis, a condition that can benefit from treatment, and a recommendation that therapeutic services be provided in accordance with governing policies and procedures.
  - These services are provided by qualified rendering providers as described in licensure information above.
  - These services should qualify as an allowable service in that they were:
    - authorized,
    - intended to improve one or more of the conditions described in the service authorization as outlined in the individualized service plan
    - documented according to provider agency protocol,
    - documented in context of results of the services provided,
    - documented as an incurred expense by the Department, and
    - reviewed through a periodic utilization review process, looking at provider documentation and service provision.
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- We have pulled an example of documents available to support the claims for certain children. Please see *Attachment 6*. To the extent that we need to provide these documents for each child for your review to support these claims, we are prepared to do so at your request. Additionally, we would offer to review these with you.

Your consideration of these documents to support our claim is appreciated.



Sincerely,



Mark Trail, Chief  
Medical Assistance Plans  
Georgia Department of Community Health

Cc: Tim Burgess, Commissioner  
Department of Community Health

## Attachments

1. Example of a rendering provider's:
  - a. Annual Cost Report
  - b. Annual Time Study
  - c. Annual Audit
2. Annual Cost Report and Time Study Instructions
3. Summary of required TRIS claims information submitted for the quarter ended March 31, 2005: Medicaid claim number, dates of service, number of units of service, provider identification number, rendering provider information, child Medicaid number, child names, Medicaid procedure code, principle diagnosis, rendering provider and net payment.
4. TRIS Provider Application and Enrollment Information
  - a. Overview Memorandum
  - b. Provider Application
  - c. Initial Enrollment Process Information
  - d. Civil Rights Certificate of Assurance
  - e. Discipline Policy Agreement
  - f. Provider Self-Assessment Instrument
5. TRIS Information and Requirements
  - a. Service Requirements
  - b. Minimum Standards for Level of Care
  - c. Level of Care Indicator Manual
6. Example of child related documents to support services:
  - a. 
    1. Service Authorization
    2. ISP
    3. Monthly Progress Notes
  - b. 
    1. Service Authorization/Reauthorizations
    2. Utilization Review (UR)
    3. ISP
    4. Psychological Evaluation
    5. Level of Care Assessment
    6. Treatment Progress Notes
    7. Monthly Review of Placement

8. Daily Behavior Chart
9. School Information
10. DFCS Case Plan

c.

1. Social Summary
2. Psychological Evaluation
3. ISP
4. Case Notes
5. Service Authorization
6. UR
7. Payment Authority

d.

1. Service Authorization/Reauthorizations
2. Psychological Evaluation
3. ISP
4. Child's goals
5. UR
6. Progress Notes

e.

1. ISP
2. Monthly Summaries
3. Initial Plan of Care/Service Authorization
4. Payment System Report
5. Psychological Evaluation
6. Case Notes

7. Supplementary Information

- a. Level of Care Overview Information - A New Child Care System in Georgia
- b. Level of Care Child Application - *www.galocweb.com*
- c. Utilization Review Form
- d. Licensure Requirements *State of Georgia, Department of Human Resources, Office of*
- e. Rules for Intensive Residential Treatment Facilities *" Regulatory Services web site*