



GEORGIA DEPARTMENT OF
COMMUNITY HEALTH

Rhonda M. Meadows, MD, Commissioner

Sonny Perdue, Governor

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March 15, 2006

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

RE: Settlement of Deferral of Georgia TRIS Revenues

The purpose of this letter is to propose a settlement of the current and future deferrals for the Therapeutic Residential Intervention Services program (TRIS) revenues to the State of Georgia.

The Department of Community Health (DCH) has formally responded to two requests for information from the Center for Medicare and Medicaid Services (CMS) around TRIS related to the two quarters ending March and June 2005. While the documentation provided has hopefully allowed CMS a more complete understanding of how the TRIS system operates to provide behavioral health care to children in the State, it is our understanding that CMS remains concerned about the "bundled" nature of TRIS per diem rates (which contain costs charged to a mix of behavioral health services). Our understanding is that the major objective of CMS is to eliminate the bundled TRIS rate, in favor of a system, in which various behavioral health care services to children that are discreetly authorized and billed to Medicaid.

Since the current deferrals of significant federal funding will lead to the collapse of the current treatment system for foster children in the near future if not resolved, DCH has developed a proposal which we believe will resolve CMS's concern about the bundled nature of TRIS rates. This proposal will also require implementing major changes in the way behavioral health care is structured in Georgia.

In return for a major restructuring of the behavioral health care system, DCH is requesting the release of all deferred TRIS funds based on a common understanding and agreement between DCH and CMS on how this system will be restructured. Our restructuring proposal is intended to avoid a collapse of the behavioral health care system while we move to a new system that will better meet the behavioral health care needs of Georgia's children.

DCH Proposal

1.) The State of Georgia will replace TRIS in two ways. First, behavioral health care for most of the effected children will, if medically necessary, be provided and billed to Medicaid through existing outpatient Rehabilitation Option Services (ROS). These ROS services are individually authorized and approved via an external review organization contract with APS Healthcare.

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Additionally, DCH will submit for CMS approval an amendment to the State of Georgia's Medicaid plan to allow inpatient behavioral health care under age 21, in appropriately licensed inpatient facilities, like Psychiatric Residential Treatment Facilities (PRTF). These services will also be prospectively reviewed for medical necessity prior to delivery, by APS Healthcare.

2.) CMS will lift current and future deferrals for the TRIS program subject to the terms of the agreement.

Background

For the vast majority of the children needing behavioral health care, we can eliminate TRIS as a bundled rate and provide medically necessary behavioral health care services through the incremental authorization and provision of outpatient services that already exist via the ROS in Georgia. If a child needs behavioral health care, an approved provider would get authorization from our utilization review agent for ROS - APS Healthcare. If APS Healthcare approves the service as being medically necessary, services could be provided and billed through the existing ROS program.

While this process will take care of behavioral health care issues for the majority of children, we have some severely emotionally disturbed children in licensed inpatient specialty hospitals that would not be appropriately served in the Rehab Option services. To handle the behavioral health care needs of these "high needs" children, DCH will submit a Medicaid plan change to add inpatient behavioral health care for children under 21 in Georgia (i.e. PRTF). Since we understand that CMS's position is that a per diem rate is only acceptable in a licensed inpatient psychiatric facility, we would create a Medicaid per diem rate for PRTF's in Georgia consistent with published federal guidelines.

Transition Plan

Because over 6,000 children receive behavioral health care services through TRIS, we believe it is important to shift the TRIS in a planned and thoughtful manner so that the behavioral health care needs of these children are met.

If CMS is amenable to this resolution, we would submit a Medicaid plan change for inpatient behavioral health care for children under 21, within 30 days of the completion of the proposed agreement. The amendment and proposed rates would need to go before our DCH Board to be posted for public comment. We could submit the proposed Medicaid plan amendment to CMS concurrent with our internal review and public comment process.

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Upon completion of a mutually acceptable plan, the State will require 90 days to modify existing vendor contracts; the claims payment system; and the intake, evaluation and planning functions. All children entering the system following the 90 day implementation will begin in the new system. To appropriately handle transition without significant patient disruption and within available resources, the State proposes to transition each currently enrolled child at their annual plan review/renewal. It is expected that all children will be transitioned within twelve (12) months from the start of the new process.

We believe that this transition process would meet the concerns of CMS without creating a traumatic and potentially harmful service disruption for children with behavioral health care needs in this State.

We would like the opportunity to discuss the proposed settlement of the TRIS deferral with you in the very near future. We welcome CMS's thoughts and ideas about how to resolve this matter while still meeting the behavioral health care needs of children in this State. The deferral of these federal funds has placed the State in an untenable situation. To avoid a major disruption of behavioral health care services to some of Georgia's neediest children, we look forward to an expeditious resolution of this issue.

We are available to meet with you to provide any clarification and to answer any questions you may have.

Sincerely,



Rhonda M. Medows, M.D.

cc: Commissioner B.J. Walker, Georgia Dept. of Human Services
Commissioner Albert Murray, Georgia Dept. of Juvenile Justice
Shelley Nickel, Director of the Office of Planning and Budget
Abel Ortiz, Governor's Office
Mark Trail, Medical Assistance Plans