MEMORANDUM

DATE:    December 21, 2012

TO:      Ms. Sharon L. Summers, DMMA
          Planning & Policy Development Unit

FROM:    Mr. Don Moore, Vice-Chairperson
          State Council for Persons with Disabilities

RE:      16 DE Reg. 597 [DMMA Proposed Psychiatric Hospital Reimbursement Regulation]

The State Council for Persons with Disabilities (SCPD) has reviewed the Department of Health
and Social Services/Division of Medicaid and Medical Assistance’s (DMMAs) proposal to revise
the Medicaid State Plan to describe reimbursement methodologies for inpatient psychiatric
hospital services and outpatient hospital services. The proposed regulation was published as 16
DE Reg. 597 in the December 1, 2012 issue of the Register of Regulations.

As background, DMMA notes that it has been paying providers of inpatient psychiatric services
and partial hospital psychiatric services an “individually negotiated rate with each provider”.
CMS has disallowed this methodology and the Division is now adopting a more uniform rate for
private providers of these services using Medicare rates as a point of reference. The Division
recites that the new methodology will have “a fairly small fiscal impact”. At 598. The actual
rate calculation standards are detailed and “technical”. At 599.

Since it appears the initiative is prompted by CMS and there is little fiscal impact, SCPD
endorses the proposed regulation subject to a minor grammatical edit. In the first sentence on
page 599, insert “at” prior to “42 CFR 413”.

Thank you for your consideration and please contact SCPD if you have any questions or comments
regarding our position or observations on the proposed regulation.

cc:    Mr. Stephen Groff
       Mr. Brian Hartman, Esq.
       Governor’s Advisory Council for Exceptional Citizens
       Developmental Disabilities Council

16reg597 dmma-psychiatric hospital reimbursement 12-21-12