



Paul R. LePage, Governor

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January 9, 2013

## MEMORANDUM

TO: Providers of MaineCare Private Non-Medical Institution (PNMI) Services

FROM: Mary C. Mayhew, Commissioner, Department of Health and Human Services

SUBJECT: Reimbursement Changes required for PNMI to be in Federal compliance

For several years, the Department has been working with the Centers for Medicare and Medicaid Services (CMS) on compliance concerns related to Private Non-Medical Institution (PNMI) services. The result of this work requires significant changes to reimbursement for covered residential services for more than 6,000 MaineCare members who reside in more than 400 locations.

The Department recently proposed a new model for services currently delivered in PNMI Case Mixed (Appendix C) and Non-Case Mixed Medical and Remedial (Appendix F) settings to CMS. The concept paper that outlines this model can be found at: <http://maine.gov/dhhs/oms/provider/pnmi.html>. The response from CMS was positive. In this new model, PNMI's would be titled "Personal Care Services Homes" in order to better recognize the Medicaid reimbursable services provided in these settings. The Department intends to file a State Plan Amendment (SPA) soon to begin the necessary approval process, and anticipates an implementation date of January 1, 2014. We will provide more detail about PNMI Appendix C and F changes and expected timelines in the near future.

In addition to this work, the Department has engaged with CMS and Stakeholders to review coverage and reimbursement for all other PNMI services. I have listed below updates related to that work.

- **Children's PNMI services:** The Department anticipates elimination of MaineCare PNMI reimbursement for Infant Mental Health and Treatment Foster Care. All appropriate medically necessary services in those settings will be billed under MaineCare Section 65 (Behavioral Health). Children's Residential Services will remain a MaineCare covered residential service, though significant work is necessary to develop a model approved by CMS. Changes for Infant Mental Health and Treatment Foster Care will likely occur in January, 2014. Since the changes for Children's Residential Services are not expected to be cost neutral, budget approval will be necessary, which will result in a later implementation date (likely July, 2014).
- **Appendix B (Substance Abuse) and Appendix E (Community Residences for Members with Mental Illness):** Changes to these services are not expected to be cost neutral and Legislative approval will be required for any budget changes. The Department does not anticipate these changes will be implemented until July, 2014.

We appreciate the stakeholder involvement that has occurred, and will continue to provide updated information throughout this process. Should you have further questions, please do not hesitate to contact Patricia Dushuttle at [Patricia.Dushuttle@maine.gov](mailto:Patricia.Dushuttle@maine.gov).