



MEDICAL CARE POLICY ADMINISTRATION

DEPARTMENT OF HEALTH AND MENTAL HYGIENE

201 WEST PRESTON STREET • BALTIMORE, MARYLAND 21201 • Area Code 410 • 225-

William Donald Schaefer
GovernorNelson J. Sabatini
Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM
RESIDENTIAL TREATMENT CENTER TRANSMITTAL NO. 7
INTERMEDIATE CARE FACILITIES-ALCOHOLIC TYPE D TRANSMITTAL NO. 2**

December 16, 1994

To: Residential Treatment Centers
Intermediate Care Facilities - Alcoholic (Type D)

From: Joseph M. Millstone, Director *JMM*
Medical Care Policy Administration

NOTE: Please ensure that appropriate staff members in your organization are informed of the contents of this transmittal

Re: Re-statement of Reimbursement Policies

Since several new residential treatment centers and Intermediate Care Facilities-Alcoholic Type D have recently enrolled as providers, the Medical Assistance Program at this time is re-stating reimbursement policies and procedures pertaining to Residential Treatment Centers (RTC) and Intermediate Care Facilities - Alcoholic Type D (ICF-D). As providers of under age 21 psychiatric services, the Program reimburses the provider for medically necessary residential psychiatric services. Rates developed by the Program are intended to reflect only costs incurred in providing these services.

PHYSICIAN SERVICES

Costs relating to physician services that do not pertain to medically necessary residential psychiatric services are not included in a RTC's per diem rate. For "hands-on" physician services rendered in the treatment of conditions that are not related to the recipient's psychiatric needs, it is necessary for physicians to enroll as separate providers and then bill and be paid by the Medicaid Program on a fee for service basis.

(Continued on Reverse Side)



As Medicaid providers, RTCs must ensure that a routine physical is performed on all recipients admitted to the facility. The incurred physician costs of providing these examinations is an allowable facility cost and are included in the facility's per day rate.

PHARMACY SERVICES

Since RTCs and ICF-D's are not licensed to operate pharmacies, prescriptions for residents of these facilities must be sent to pharmacies for dispensing. The Program requires the pharmacy that actually dispenses the medication to enroll as a provider and bill directly for these services. Rates for RTCs and ICF-D's do not include costs of prescription drugs obtained from outside pharmacies.

Questions concerning this transmittal should be directed to the Medical Care Policy Administration at (410) 225-1455.

JMM/ml