

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State/Territory: Alaska

Method for Determining Cost Effectiveness of Caring for
Certain Disabled Children At Home

The Division of Medical Assistance will determine the cost effectiveness of caring for children at home as follows:

1. Determine the annual cost of Medicaid services for the child at home by reviewing child's approved plan of care.
2. Except as described in 4 below, determine the annual cost of providing institutional care by using factors G and G' of the 1915 (c) home and community-based service waiver, as described in 42 CFR 441.303, for the appropriate institutional level of care and current waiver year, adjusted for the length of stay. If an individual child has extraordinary projected expenses, likely to be incurred whether at home or in an institution, these expenses will be added to the adjusted factors G and G'.
3. If the projected annual cost of services at home does not exceed the projected annual cost of services in an institution, the Division of Medical Assistance will confirm the cost effectiveness of caring for the child at home.
4. For inpatient psychiatric hospital level of care as described in 42 CFR 441, subpart D, annual cost of providing institutional care is determined by calculating the historical annual cost of providing care to Medicaid recipients and adjusting for inflation. Annual costs are determined using MMIS date of service expenditure data for a 12 month period for all recipients who spend more than 30 days in an inpatient psychiatric facility in a 12 month period. Inflation adjustments are the same as those used in calculating factors G and G' of the 1915(c) home and community-based service waivers.

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