



P R O V I D E R B U L L E T I N

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**To: Acute Care Hospitals, Psychiatric Hospitals,
Psychiatrists, Health Services Providers in Psychology,
Mental Health Clinics, Physicians, Primary Medical
Providers for Primary Care Case Management and
Community Mental Health Centers**

Subject: Psychiatric Residential Treatment Facility Services

Overview

The Office of Medicaid Policy and Planning (OMPP) is implementing coverage of psychiatric residential treatment facility (PRTF) services when provided in accordance with the requirements listed in this bulletin and retroactive to January 1, 2004. This bulletin outlines the provider enrollment requirements, coverage provisions and limitations, reimbursement methodology, billing requirements and prior authorization criteria for PRTF services.

Provider Enrollment

For enrollment eligibility in the Indiana Health Coverage Programs (IHCP) as a PRTF, the facility must be licensed under Indiana Administrative Code (IAC) *470 IAC 3-13* as a private, secure, child-caring institution, and must be accredited by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), the American Osteopathic Association (AOA), or the Council on Accreditation (COA). All enrolled facilities must comply with the requirements in *42 CFR 482, Subpart G* governing the use of restraint and seclusion.

Providers should send applications for enrollment as a PRTF to the following address:

**EDS Provider Enrollment
P.O. Box 7263
Indianapolis, IN 46207-7263**

Direct questions to the Customer Assistance Provider Enrollment line at 1-877-707-5750. Providers will be enrolled under provider type *03 – Extended Care Facility* and specialty *033 – Residential Care Facility*. Potential providers must send the provider application and documentation showing licensure and accreditation.

Coverage Provisions

Reimbursement is available for medically necessary services provided to children younger than 21 years old in a PRTF. Reimbursement is also available for children younger than 22 years old who began receiving PRTF services immediately before their 21st birthday. **All services require prior authorization by Health Care Excel (HCE).**

Managed Care Considerations

Risk-based Managed Care

PRTF services are carved out from the risk-based managed care organizations' (MCOs') financial responsibility. HCE prior authorizes (PA) PRTF placement and EDS processes the claims.

The MCO retains responsibility for services outside of the PRTF including transportation, pharmacy and other related health care services. These services are subject to the PA and reimbursement policies of the member's managed care plan. Providers should verify the member's eligibility at initial admission, and on the first and 15th of the month to determine the member's current managed care eligibility.

Primary Care Case Management (PCCM)

HCE prior authorizes PRTF placements and EDS processes the claims for PRTF services.

PRTF services do not require certification from the primary medical provider (PMP) for PCCM members in Hoosier Healthwise or *Medicaid Select*. HCE provides PA for PRTF placement and claims are billed to EDS. Services rendered outside the PRTF may be subject to PMP certification and PA requirements. Providers should verify the member's eligibility before rendering services and on the first and 15th of each month to confirm the member's current managed care eligibility.

Hoosier Healthwise Package C

PRTF services are not a covered benefit under Hoosier Healthwise Package C.

Table 1 lists the MCOs, Hoosier Healthwise, and *Medicaid Select* contacts:

Table 1 – MCO, Hoosier Healthwise and *Medicaid Select* Contacts

IHCP Managed Care Organizations, Hoosier Healthwise, and <i>Medicaid Select</i>				
Harmony Health Plan www.harmonyhmi.com Claims 1-800-504-2766 Member Services 1-800-608-8158; TTY: 1-877-650-0952 Prior Authorization/Medical Management 1-800-504-2766 Provider Services 1-800-504-2766	MDwise www.mdwise.org Claims 1-800-356-1204 or (317) 630-2831 Member Services 1-800-356-1204 or (317) 630-2831 Prior Authorization/Medical Management 1-800-356-1204 or (317) 630-2831 Provider Services 1-800-356-1204 or (317) 630-2831	Managed Health Services (MHS) www.managedhealthservices.com Claims 1-800-414-9475 Member Services 1-800-414-5946 Prior Authorization/Medical Management 1-800-464-0991 Provider Services 1-800-414-9475 Nursewise 1-800-414-5946	PrimeStep (Hoosier Healthwise) www.healthcareforhoosiers.com Claims Automated voice response 1-800-738-6770 or (317) 692-0819 EDS Customer Assistance 1-800-577-1278 or (317) 655-3240 Member Services 1-800-889-9949, Option 1 Prior Authorization HCE: 1-800-457-4518 or (317) 347-4511 Provider Services 1-800-889-9949, Option 3	<i>Medicaid Select</i> www.medicaidselect.com Claims Automated voice response: 1-800-738-6770 or (317) 692-0819 EDS Customer Assistance 1-800-577-1278 or (317) 655-3240 Member Services 1-877-633-7353, Option 1 Prior Authorization HCE: 1-800-457-4518 or (317) 347-4511 Provider Services 1-877-633-7353, Option 3

The PMP or MCO should know the member is in the PRTF for PA purposes; therefore, HCE will notify the member's PMP and the MCO when PA is granted.

Retroactive Coverage Considerations

Since coverage of these new services was effective January 1, 2004, IHCP-covered services may have been billed to the county office. To bill for retroactive coverage, providers can request an enrollment effective date of January 1, 2004, or the effective date of their licensure and certification, whichever is later. Upon approval of the PA request, the provider can bill the IHCP for dates of retroactive coverage on or after January 1, 2004. However, before submitting claims to the IHCP, previously paid monies should be reimbursed to the county office.

Medical Leave Days

Reimbursement is available for medical leave days in a PRTF for members younger than 21 years old at one-half the customary per diem rate when all of the following conditions are met:

- Hospitalization is ordered by the physician for treatment of an acute condition that cannot be treated in the PRTF.
- The total length of time allowed for payment of a reserved bed for a single hospital stay is four days. If the member requires hospitalization longer than the four consecutive days, the member must be discharged from the PRTF.
- A physician's order for the hospitalization must be maintained in the member's file at the PRTF.
- The facility has an occupancy rate of at least 90 percent. In no instance will the IHCP reimburse a PRTF for reserving beds for members when the facility has an occupancy rate of less than 90 percent.

Therapeutic Leave Days

Reimbursement is available for therapeutic leaves of absence from a PRTF for IHCP members younger than 21 years old at one-half the customary per diem rate when all of the following conditions are present:

- A leave of absence must be for therapeutic reasons as prescribed by the attending physician and as indicated in the member's habilitation plan. A physician's order for therapeutic leave must be maintained in the member's file at the facility.
- In a PRTF the total length of time allotted for therapeutic leaves in any calendar year is 14 days per member. If a member is absent from the PRTF for more than 14 days per year, no further IHCP reimbursement will be available, in that year, to reserve a bed for therapeutic leave for the member.
- If the facility has an occupancy rate of at least 90 percent, in no instance will the IHCP reimburse a PRTF to reserve beds for members when the facility has an occupancy rate of less than 90 percent.

Billing

Providers must submit claims for PRTF services on the Centers for Medicare & Medicaid Services (CMS)-1500 form or the 837P electronic transaction. Pharmaceutical supplies and non-psychiatric physician services are not included in the PRTF per diem. The per diem rate includes the cost of all IHCP-covered psychiatric services provided to members residing in a PRTF as well as the cost for IHCP-covered services not related to the member's psychiatric condition if such services are

performed at the PRTF. Separate reimbursement is available only in cases where IHCP-covered services, not related to the member's psychiatric condition, are unavailable at the PRTF and performed at a location other than the PRTF. Pharmaceutical supplies and non-psychiatric physician services are not included in the PRTF per diem and will be paid separately from the PRTF per diem rate. These services are subject to provisions set forth in 405 IAC 5-24 and 405 IAC 5-25.

The following codes should be used when billing for services included in the PRTF per diem:

- **T2048** – Per diem services for behavioral health, long-term care residential, or non-acute care in a residential treatment facility where the stay is typically longer than 30 days.
- **T2048 U1** – Medical leave for behavioral health, long-term care residential, non acute care in a residential treatment facility where the stay is typically longer than 30 days. Medical leave days are limited to four.
- **T2048 U2** – Therapeutic leave for behavioral health, long-term care residential, non-acute care in a residential treatment facility where the stay is typically longer than 30 days. Therapeutic leave days are limited to 14.

Reimbursement rates

The OMPP has adopted a prospective, cost-based reimbursement methodology for services provided by PRTFs and covered by the IHCP. Prospective payment constitutes full reimbursement and no year-end cost settlement payments will be made. The current per diem rate is \$321.52.

The PRTFs will be reimbursed for services provided to IHCP members based on the lower of the statewide PRTF prospective per diem rate calculated by the office, or usual and customary daily charges billed for the psychiatric treatment of eligible members.

The applicable PRTF per diem rate will reimburse all IHCP-covered services provided in the PRTF except for pharmaceutical and physician services. Providers will include, and rates will be determined by, only those allowable costs listed in IHCP provider reimbursement manuals and provider bulletins.

All costs used to determine the Statewide prospective per diem rate will be subject to reasonability standards as set forth in the *Medicare Provider Reimbursement Manual, CMS-Pub. 15-1*, Chapter 25.

The per diem rate excludes costs unrelated to providing psychiatric residential services, including, but not limited to, the following services:

- Group education, including elementary and secondary education
- Advertising or marketing
- Nonpsychiatric specialty programs

Cost Reports

PRTFs should file a cost report annually using a uniform cost report form from the OMPP. The OMPP or its contractor may audit or review the cost reports as it deems necessary.

Prior Authorization

PA is required for PRTF admissions covered by the IHCP. Before admission to a PRTF, documentation to support an admission must be provided to HCE. The required documentation includes an intake assessment, the PA request form, *Certification of Need for Admission* (form 1261A), the physician history and physical, current inpatient treatment plan, physician progress notes, nursing

notes from the inpatient treatment, and a physician letter recommending the child for residential placement. Upon receipt of the PA request, a decision will be issued within 10 business days, excluding holidays.

Note: The PA request form and Certification of Need for Admission (1261A) are found in the IHCP Provider Manual and on the IHCP Web site.

If the request warrants the need for emergency review, the provider can call the HCE Prior Authorization Department at (317) 347-4511 in the Indianapolis local area or 1-800-457-4518 to ask for an emergency PA number. At this time, the PA request will be placed in a pending status awaiting all required documentation as noted previously. This documentation can be mailed or faxed. All documentation must be submitted within 14 business days of the date of the initial request for emergency review. When the documentation is received, a decision will be issued. If the admission is approved, the approval will be back-dated to the date of the admission or the date of the initial telephone or fax request. However, if the request for admission is denied, the provider will not be reimbursed by the IHCP for any of the days of the PRTF stay.

Each PA request will be reviewed for medical necessity of the individual, on a case-by-case basis. PA requests can be faxed to the HCE PA department at (317) 347-4537 or mailed to the following address:

**Health Care Excel
Prior Authorization Department
P.O. Box 531520
Indianapolis, IN 46253-1520**

Direct questions about PA to the HCE PA Department at (317) 347-4511 in the Indianapolis local area or 1-800-457-4518.

Admission Criteria

All of the following criteria must be present for psychiatric residential care:

- The individual's mental disorder is rated **severe** or the presence of two or more diagnoses on Axes I and II indicate that the individual's disturbance is severe or complex. Mental disorder as classified in the *Diagnostic and Statistical Manual, Fourth Edition (DSM IV)*.
- The individual's behavior has disrupted his or her placement in the family or in a group residence two or more times in the past year, or the individual has a persistent pattern of behavior that has severely disrupted life at home and school over the nine months preceding inpatient care. For children younger than 12 years old these time frames are six months for a family or group residence, and six months for home and school.
- Family functioning or social relatedness is seriously impaired as evidenced by one or more of the following circumstances:
 - History of severe physical, sexual, or emotional maltreatment
 - History of a disrupted adoption or multiple, two or more, foster family placements
 - A physical assault against a parent or adult caregiver
 - A history of sexual assault by the individual
 - A history of fire setting resulting in damage to a residence
 - Runaways from two or more community placements by a child younger than 14 years old
 - Other impairment of family functioning or social relatedness of similar severity
- The illness must be of a sub-acute or chronic nature where there has been failure of acute and/or emergency treatment to sufficiently ameliorate the condition to allow the patient to function in a lower level of care. The following includes examples of lower levels of care:
 - Family or relative placement with outpatient therapy
 - Day or after-school treatment

- Foster care with outpatient therapy
- Therapeutic foster care
- Group child care supported by outpatient therapy
- Therapeutic group child care
- Partial hospitalization
- Other
- The following symptom complexes must show a need for extended treatment in a residential setting due to a threat to self or others:
 - Self-care deficit, not age related. Basic impairment of needs for nutrition, sleep, hygiene, rest, or stimulation included in the following list:
 - Self-care deficit severe and long-standing enough to prohibit participation in an alternative setting in the community, including refusal to comply with treatment (for example, refuse medications).
 - Self-care deficit places child in life-threatening physiological imbalance without skilled intervention and supervision. For example, dehydration, starvation states, exhaustion due to extreme hyperactivity.
 - Sleep deprivation or significant weight loss
- Impaired safety such as threat to harm others. Verbalization or gestures of intent to harm others caused by the individual's mental disorder such as the following indicators:
 - Threats accompanied by one of the following behaviors:
 - Depressed mood (irritable mood in children, weight gain, weight loss)
 - Recent loss
 - Recent suicide attempt or gesture, or past history of multiple attempts or gestures
 - Concomitant substance abuse
 - Recent suicide or history of multiple suicides in family or peer group
 - Aggression toward others
 - Verbalization escalating in intensity, or verbalization of intent accompanied by gesture or plan
 - Impaired thought processes (reality testing). Inability to perceive and validate reality to the extent that the child cannot negotiate his or her basic environment, nor participate in family or school (paranoia, hallucinations, delusions). The following indicators are examples of this behavior:
 - Disruption of safety of self, family, peer or community group
 - Impaired reality testing sufficient to prohibit participation in any community educational alternative
 - Non-responsive to outpatient trial of medication or supportive care
 - Severely dysfunctional patterns of behavior that prohibits any participation in a lower level of care. For example, habitual runaway, prostitution, or repeated substance abuse
- Patient must show need for long-term treatment modalities. Modalities can include behavior modification treatment with some form of aversive therapy and operant conditioning procedures. Special, strictly educational, programs do not qualify as behavior therapy. Modalities include multiple therapies such as group counseling, individual counseling, recreational therapy, expressive therapies, or so forth.

Continued Stay Criteria

- At admission, the treatment facility should provide a description of the proposed plan for treatment listing the required intensity of services available at an inpatient psychiatric level of care. Within 10 days of admission, the facility must provide a master multidisciplinary treatment plan that includes the following items:
 - Problems related to the child's psychiatric condition
 - Measurable goals or objectives relevant to each of the problems

- Interventions to assist the individuals in reaching goals or objectives including individual or group; and, where appropriate, family therapy; and the staff who will provide the interventions
- Time frames for reaching goals or objectives
- In reviews of the master treatment plan and evaluation of treatment progress which includes measurement of progress toward goals or objectives, explanation of any failure to achieve goals or objectives and changes in the treatment plan. Each review should confirm that inpatient psychiatric services are necessary to reach goals or objectives, and should list the reasons for continuing stay.
- Physician or health services provider in psychology (HSPP) progress notes and nursing notes with sufficient detail, including the following documentation, must be submitted for review every 30 days of residential care:
 - Documented evidence that patient is sufficiently motivated to participate in the program
 - Documented evidence that the patient's failure to respond to treatment is due to the basic causes of disability or new mental illness complications and not a result of voluntary, conscious resistance of the patient
 - Documented evidence of consistent family inclusion in the therapeutic process, if family available
- Placement in a community school may be an appropriate intervention in support of the goals and objectives in the treatment plan. Educational or vocational services may be provided outside the facility when residential services are extended to the off-site setting as part of the treatment plan or as a component of the child's discharge plan.
- The treatment facility must provide a plan for discharge and aftercare placement and treatment. A comprehensive discharge plan should include discrete, behavioral, and time framed discharge criteria. Therapeutic leave may be an appropriate component of the child's discharge plan.
- The treatment facility must notify the member's PMP and MCO when the member is discharged. The PMP and MCO will be able to help the member transition back to the community.

Additional Information

Direct questions about this bulletin to the Customer Assistance Unit at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.

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