

# IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS    BT202003    JANUARY 9, 2020

## IHCP gains federal approval to reimburse for acute SMI stays in IMDs

On December 20, 2019, the Indiana Family and Social Services Administration (FSSA) received federal approval for a Medicaid waiver that will offer improved access to a full continuum of care for thousands of Hoosiers suffering from serious mental illness (SMI). The waiver, now [approved by the U.S. Centers for Medicare and Medicaid Services \(CMS\)](#), gives Indiana Medicaid the authority to pay for acute inpatient stays in institutions for mental disease (IMDs) for individuals between the ages of 21-64 who are diagnosed with SMI. Until now, Medicaid law had significantly limited federal funding from being used for inpatient SMI treatment at any hospital, nursing facility, or other institution with more than 16 beds.



This new waiver, effective January 1, 2020, is a crucial step for the State in reducing barriers to appropriate mental health services and increasing overall success for members transitioning back into their homes and communities. With this waiver, the State has made a significant commitment to address gaps in care and enhance its existing behavioral health infrastructure. These services are available to any Medicaid member between the ages of 21-64 with full Indiana Health Coverage Programs (IHCP) benefit coverage, including those who are in Hoosier Healthwise, Healthy Indiana Plan (HIP), Hoosier Care Connect, or traditional Medicaid programs. This also includes those eligible for Hospital Presumptive Eligibility for Adults (aid category – MAHA) or Presumptive Eligibility for Pregnant Women (PEPW). Some groups with limited eligibility (noncitizens, Qualified Medicare Beneficiaries, family planning only, and so forth) are not eligible for service under this waiver. See *IHCP Bulletin* [BT201967](#) for more information.

Qualifying providers should meet the requirements listed in the *Code of Federal Regulations 42 CFR 435.1010*, in which IMD is defined as:

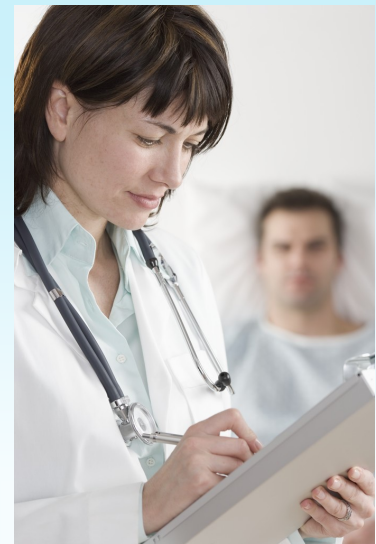
*A hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care of persons with mental diseases, including medical attention, nursing care and related services. Whether an institution is an institution for mental diseases is determined by its overall character as that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases, whether or not it is licensed as such.*

Providers must also be enrolled as a psychiatric hospital (provider type 01 and provider specialty 011) with more than 16 beds and licensed by the Division of Mental Health and Addiction (DMHA) as a private mental health institution (PMHI) pursuant to *Indiana Administrative Code 440 IAC 1.5*. Facilities that meet these criteria are recognized by the IHCP as qualifying IMDs for providing short-term inpatient stays for SMI. State psychiatric facilities (SPFs) do not qualify as eligible IMDs under the demonstration waiver.

### Alignment of average length of stay requirements across service delivery systems

Prior authorization (PA) is required for all inpatient stays. Length of stay will be authorized based on medical necessity. In accordance with federal requirements, the IHCP will be required to achieve a statewide average length of stay of no greater than 30 days, and reimbursement will not be available for inpatient stays longer than 60 days. Claims submitted for inpatient stays more than 60 days will be denied. Questions about fee-for-service (FFS) PA should be directed to DXC Technology at 1-800-269-5720. Questions regarding managed care PA should be directed to the managed care entity (MCE) with which the member is enrolled. This bulletin replaces the guidance provided in *IHCP Bulletin* [BT201637](#). Coverage and reimbursement information apply to inpatient SMI treatment delivered under the FFS and the managed care delivery systems. Reimbursement will not be extended to IMDs for residential stays.

Additional Information regarding eligibility, provider qualifications, and coverage under this waiver can be referenced via *IHCP Bulletin* [BT201967](#).



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