

109 INSTITUTION FOR MENTAL DISEASE 15 DAY LIMIT

REVISION DATE: 10/1/2021, 2/24/2021, 3/26/2020

EFFECTIVE DATE: March 25, 2020

REFERENCES: 42 CFR 435.1010, 42 CFR 438.3(e)(2)(i) through (iii), 42 CFR 438.6(e)

Purpose

This Policy applies to the Division of Developmental Disabilities (the Division) covered DDD Tribal Health Program (THP) population, which is managed as a Fee-For-Service (FFS) program along with the Division's oversight of each Administrative Services Subcontractor (AdSS). This policy establishes requirements the Division will follow for compliance with managed care regulation 42 CFR 438.6(e), "Payments to MCOs for and Prepaid Inpatient Health Plans (PIHPs) for enrollees that are a patient in an institution for mental disease."

Definitions

- A. Day - A calendar day unless otherwise specified.
- B. Institution - An establishment that furnishes (in single or multiple facilities) food, shelter, and some treatment or services, to four or more persons unrelated to the proprietor.
- C. Institution for Mental Disease (IMD) - 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 substance use disorders), including medical attention, nursing care, and related services. Whether an institution is an institution for a mental disease 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. An institution for Individuals with Intellectual Disabilities is not an institution for mental diseases. [42 CFR 435.1010].
- D. IMD Stay - The total number of calendar days of an inpatient stay in an institution for mental disease beginning with the admission date through discharge, but not including the date of discharge unless the member expires.

Policy

Medically necessary IMD Stays are covered for individuals under the age of 21 (except as noted below under "Members Turning 21 or 65 Years of Age") and for adults 65 years of age and older. For adult members age 21 and older but under the age of 65 (referred to in this policy as "adult member age 21-64"), coverage is subject to the limitations and requirements outlined in this policy. The provision of inpatient psychiatric or substance use disorder treatment in an IMD must meet the requirements for in lieu of services or settings at 42 CFR 438.3(e)(2)(i) through (iii).

In accordance with 42 CFR 438.6(e), IMD Stays are covered for adult members age 21-64, so long as the IMD Stay is no longer than 15 cumulative days during a calendar month.

The following provider types are considered to be IMDs subject to the limitations and requirements outlined in this policy:

- A. B1-Residential Treatment CTR-Secure (17+Beds)
- B. B3-Residential Treatment Center-Non-Secure
- C. B6-Subacute Facility (17+Beds)
- D. 71-Psychiatric Hospital

Requirements

- A. Members remain enrolled and eligible for all medically necessary services during the entire IMD Stay whether the stay exceeds 15 cumulative days during a calendar month. The Division is responsible for the payment of these services.
- B. For any IMD stay that exceeds 15 days, neither the IMD Stay nor any other medically necessary services provided during the length of that IMD Stay may be paid with Title XIX funding, including administrative funding for Title XIX services.
- C. The Division, when responsible for behavioral health services, shall complete and submit to AHCCCS the AHCCCS Contractors Operational Manual *Policy 109 Attachment A – IMD Placement Exceeding 15 days* to the Division, within one business day of identification of an IMD Stay greater than 15 days.
- D. Submission of Attachment A will result in a change to the member's physical and behavioral health enrollment/assignment with the Division resulting in an adjustment to the Capitation.
- E. The Division shall continue to submit encounters for all medically necessary services, including the IMD Stay, regardless of the length of the IMD Stay, and regardless if AHCCCS recoups the capitation payment for that month; that is, the Division is not permitted to recoup payments to providers. AHCCCS will use encounters to audit Division compliance with this policy. Encounters related to the IMD Stay will not be considered in the reconciliation and reinsurance processes.
- F. The Division must maintain a network of providers adequate to provide members with adequate access to behavioral health services and ensure the member receives care in the setting most appropriate for the member's needs.

Capitation Recoupment

- A. When an adult member's IMD Stay is longer than 15 cumulative days during the calendar month, AHCCCS will recoup the Division's entire monthly capitation payment for that member.
- B. The change to a member's enrollment/assignment to non-Capitated will trigger the recoupment.
- C. When two different entities are responsible for physical health services and behavioral health services for the member, AHCCCS must recoup the entire monthly capitation payment from both entities.
- D. The capitation recoupment will occur whether the Division pays the IMD.

- E. This recoupment applies whether the member is dual eligible or the member has third party insurance coverage.
- F. The Division will be notified of the contract type change/recoupment via the 834 and 820 files from AHCCCS.
- G. After funds have been recouped, AHCCCS will make a capitation payment to the Division equal to a pro-rated amount of the monthly capitation payment for each day the member is not in an IMD during the calendar month.

Members Turning 21 Or 65 Years of Age

- A. The IMD restriction does not apply for a member admitted prior to age 21 and turns 21 during the IMD Stay until the member turns 22 years of age during the IMD Stay. The Division is not required to report an IMD Stay greater than 15 days when the member is admitted prior to age 21 even if the member turns 21 during the same IMD Stay as long as the member is discharged prior to age 22.
- B. For members who turn age 65 during an IMD Stay, all the days of the IMD Stay while the member is age 64 must be counted against the 15-day limit, and all the IMD Stay days when the member is 65 must not be counted against the limit.

The Division must report an IMD Stay greater than 15 days when the member is admitted prior to age 65 even if the member turns 65 during the same IMD Stay. After funds have been recouped, AHCCCS will make a capitation payment to the Division equal to a pro-rated amount of the monthly capitation payment for each day the member is age 65 or older during the IMD Stay.