MEDICAID SERVICES MANUAL
TRANSMITTAL LETTER

January 28, 2020

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL

FROM: CODY L. PHINNEY, DEPUTY ADMINISTRATOR

SUBJECT: MEDICAID SERVICES MANUAL CHANGES
CHAPTER 400 – MENTAL HEALTH AND ALCOHOL/SUBSTANCE ABUSE SERVICES

BACKGROUND AND EXPLANATION

Revisions to Medicaid Services Manual (MSM) Chapter 400 – Mental Health and Alcohol/Substance Abuse Services are being proposed to reflect prior authorizations for emergency admissions to inpatient psychiatric hospitals be allowed five business days for submission instead of one business day. In addition, concurrent authorizations will be allowed to be submitted within five business days of the last day of the current/existing authorization period instead of prior to or by the last day of the current/existing authorization period. This will allow inpatient psychiatric hospitals along with general hospitals, with or without inpatient psychiatric units, extra time to get their prior authorization requests submitted to reduce instances of providers failing to submit the required documents in a timely manner.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized, and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities Financially Affected: This proposed change affects all Medicaid-enrolled providers delivering emergency services. Those provider types include, but are not limited to: Inpatient Hospitals (PT) 11 and Inpatient Psychiatric Hospitals (PT) 13.

Financial Impact on Local Government: There is no anticipated fiscal impact.

These changes are effective February 1, 2020.

MATERIAL TRANSMITTED	MATERIAL SUPERSEDED
CL N/A Chapter 400 – Mental Health and Alcohol/Substance Abuse Services	MTL 21/15 Chapter 400 – Mental Health and Alcohol/Substance Abuse Services

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
403.9A(4)(a)(1)	COVERAGE AND LIMITATIONS	Revised language to state that the submission requirements be within five business days.
403.9B(1)	PROVIDER RESPONSIBILITIES	Revised language to state that the submission requirements be within five business days. Revised "child" to "recipient".
403.9C(2)	AUTHORIZATION PROCESS	Added language to clarify what CON stands for. Revised language to state that the submission requirements be within five business days for both the initial emergency admission and concurrent prior authorization requests.
403.9C(3)(a)	AUTHORIZATION PROCESS	Revised language to state that the submission requirements be within five business days.
403.10B(1)	PROVIDER RESPONSIBILITIES	Revised language to state that the submission requirements be within five business days.
403.10D(2)(a)	AUTHORIZATION PROCESS	Revised language to state that the submission requirements be within five business days.

Secure, 24-Hour, Services with Psychiatric Management		

403.9A COVERAGE AND LIMITATIONS

1. Admissions

a. Certification Requirement:

1. A physician must issue a written order for admission or provide a verbal order for admission, which is later countersigned by the same physician.

The order must be issued:

a. During the hospital stay;

b. At the time acute care services are rendered; or

c. The recipient has been transferred, or is awaiting transfer, to an acute care bed from an emergency department, operating room, admitting department or other hospital service.

2. The physician's order must be based on:

a. The recipient meeting Level 6 criteria on the Intensity of Needs grid and must include: The date and time of the order and the status of the recipient's admission (i.e., inpatient, observation, same day surgery, transfer from observation, etc.).

b. Admission Date and Time:

The admission date and time must be reflected on the certification as the date and time the admission order was written prior to or during hospitalization. If the date and time of the physician admission orders are not clear or available, the QIO-like vendor applies the documentation most relevant to the admission determination contingent upon provision of acute care services.

c. Transfers and Planned Admissions:

For those instances in which a physician's admission order was issued for a planned admission and before the recipient arrives at the hospital, the order must be signed

by the physician and indicate the anticipated date of admission. A physician's order must also be issued for transfers from another acute care hospital.

Responsibilities:

1. The admission must be certified by the QIO-like vendor based on:

   a. Medical necessity;

   b. Clear evidence of a physician's admission order; and the

   c. Recipient meeting Level 6 on the intensity of needs grid.

2. The hospital must submit all required documentation including:

   a. The physician's order which is signed by a physician and reflects the admission date and time; and

   b. All other pertinent information requested by the QIO-like vendor.

d. Observation:

   1. Observation status cannot exceed a maximum of 48 hours.

   2. Observation begins when the physician issues an observation status order and ends when the recipient is discharged from the hospital.

3. A new admissions order must be issued and signed by a physician when a recipient is admitted to inpatient status post discharge from an observation stay. Nevada Medicaid reimburses for admissions certified by the QIO-like vendor to a:

   a. Psychiatric unit of a general hospital, regardless of age; or

   b. Psychiatric hospital (Institution for Mental Diseases) for recipients under age 21 or 65 or older.

   For recipients under age 21 in the custody of the public child welfare agency, Nevada Medicaid reimburses for inpatient mental health services only when:

   a. The child welfare agency also approves the admission/placement (this does not apply to placements at State-owned and operated facilities); and

   b. The admission is certified by the QIO-like vendor.

4. Reimbursement

   a. Nevada Medicaid reimburses for services for recipients admitted with a mental health or psychiatric condition to a general hospital without a psychiatric unit only under one of the following conditions:

      1. The admission is an emergency and is certified by the QIO-like vendor. The hospital must submit clinical documentation to the QIO-like vendor within ~~24 hours of the first working day~~ five business days of the admission and make all efforts to stabilize the recipient's condition and discharge the recipient to a psychiatric hospital or general hospital with a psychiatric unit in as expeditiously as possible; or

      2. The recipient has been dually diagnosed as having both medical and mental diagnoses which warrant inpatient general hospital services, as determined by the QIO-like vendor.

   b. Nevada Medicaid does not reimburse for services not authorized by the QIO-like vendor.

   c. If a recipient is initially admitted to a hospital for acute care and is then authorized by the QIO-like vendor to receive mental health services, the acute care is paid at the medical/surgical rate

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   d. Authorized substance abuse services are paid at the substance abuse service rate.

5. Absences

   a. In special circumstances, Nevada Medicaid may allow up to an eight-hour pass from the acute hospital without denial of payment. Absences may include, but are not limited to, a trial home visit, a respite visit with parents (in the case of a child), a death in the immediate family, etc. The hospital must request prior authorization from the QIO-like vendor for an absence if the absence is expected to last longer than eight hours.

   b. There must be a physician's order that a recipient is medically appropriate to leave on pass and the therapeutic reason for the pass must be clearly documented in the chart prior to the issuance of the pass. Upon the recipient's return, the pass must be evaluated for therapeutic effect and the results clearly documented in the recipient's chart.

6. Non-Covered Services

Reference Section 403.9A.

403.9B PROVIDER RESPONSIBILITIES

1. Authorization by the QIO-like vendor must be obtained prior to admission. A tentative treatment plan will be required for the QIO-like vendor's authorization. The only exception is in the event of an emergency admission, in which the ~~child~~ recipient may be admitted and the QIO-like vendor must be notified of the admission within ~~24 hours or the first working day~~ five business days.

   In the event authorization is not obtained, the admission will not be authorized and/or certified by the QIO-like vendor for payment.

2. Medical Records

   A medical record shall be maintained for each recipient and shall contain the following items:

   a. An initial assessment of the recipient's clinically identifiable psychiatric disorder, which should include a chief complaint or equivalent, a history of the disorder, a statement of the circumstances which led to the request for services, a mental status examination and observations, a diagnosis or differential diagnosis and a statement of treatment goals and objectives and method of treatment.

   b. A written, individualized treatment plan (ITP) to address the problems documented during the intake evaluation. The plan shall include the frequency, modality and the goals of treatment interventions planned. It also shall include the type of personnel that will furnish the service.

   c. Dated progress notes are required for each treatment encounter to include the amount of time services were rendered, the type of service rendered, the progress of the recipient with respect to resolution of the presenting symptoms or problems, any side effects or necessary changes in treatment and the interval to the next treatment encounter.

      The provider shall make available to Nevada Medicaid or Medicaid's QIO-like vendor copies of the medical record, progress notes or summary documents which reflect the ongoing need for treatment and support any additional services requested.

403.9C AUTHORIZATION PROCESS

The QIO-like vendor contracts with Medicaid to provide utilization and quality control review (UR) of Medicaid inpatient psychiatric hospital admissions. Within the range of the QIO-like vendors UR responsibilities are admission and length of stay criteria development, prior authorization, concurrent and retrospective review, certification and reconsideration decisions. The QIO-like vendor must approve both emergency and non-emergency inpatient psychiatric inpatient admissions. Any hospital which alters, modifies or changes any QIO-like vendor certification in any way, will be denied payment.

1. For purposes of Medicaid mental health services, an emergency inpatient psychiatric admission to either a general hospital with a psychiatric unit or freestanding psychiatric hospital, is defined as meeting at least one of the following three criteria:

   a. Active suicidal ideation accompanied by a documented suicide attempt or documented history of a suicide attempt(s) within the past 30 days; or

   b. Active suicidal ideation within the past 30 days accompanied by physical evidence (e.g. note) or means to carry out the suicide threat (e.g., gun, knife or other deadly weapon); or

   c. Documented aggression within the 72-hour period before admission:

      1. Which resulted in harm to self, others or property;

      2. Which manifests that control cannot be maintained outside an inpatient hospitalization; and

      3. Which is expected to continue without treatment.

2. Concurrent Reviews

   For non-emergency admissions, the prior authorization request form and Certificate of Need (CON) must be submitted at least one business day prior to admission. For emergency admissions, the prior authorization request form and CON must be submitted no later than ~~one~~ five business days following admission. Prior authorization requests, if medically and clinically appropriate, will be authorized up to seven days. If additional inpatient days are required, a provider must submit a concurrent (continuing stay) authorization request ~~prior to or by the last day~~ within five business days of the last day of the current/existing authorization period. The request and information submitted must identify all pertinent written medical information that supports a continued inpatient stay. The request and information submitted must be in the format and within the timeframes required by the QIO-like vendor. Failure to provide all pertinent medical information as required by the

QIO-like vendor will result in authorization denial. Inpatient days not authorized by the QIO-like vendor are not covered. These concurrent review procedures also apply to inpatient substance abuse detoxification and treatment services.

The psychiatric assessment, discharge plan and written treatment plan must be initiated, with the attending physician's involvement, during the initial authorization period. In addition, when a recipient remains hospitalized longer than seven days the attending physician must document the medical necessity of each additional inpatient day.

3. Nevada Medicaid will reimburse for services for recipients admitted with a mental health or psychiatric condition to a general hospital without a psychiatric unit only under one of the following conditions:

   a. The admission is an emergency admission and is certified by the QIO-like vendor (who must be contacted within ~~24 hours or the first working day~~ five business days after the admission). The hospital must make all efforts to stabilize the recipient's condition and discharge the recipient to a psychiatric hospital or general hospital with a psychiatric unit as expeditiously as possible; or

   b. The recipient has been dually diagnosed as having both medical and mental conditions/diagnoses which warrant inpatient general hospital services, as determined by the QIO-like vendor.

      Also, if a recipient is initially admitted to a hospital for acute care and is then authorized to receive mental health services, the acute care is paid at the medical/surgical tiered rate. The substance abuse services are paid at the substance abuse service rate. Hospitals are required to bill Medicaid separately for each of the types of stays. The QIO-like vendor must certify the two types of stays separately.

4. Acute inpatient admissions authorized by the QIO-like vendor do not require an additional authorization for physician ordered psychological evaluations and testing. The psychologist must list the "Inpatient Authorization Number" on the claim form when billing for services.

5. Prior Resources

Pursuant to federal law, Medicaid is payer of last resort whenever any other resources may be responsible for payment. Prior resources include but are not limited to: Medicare, labor unions, Worker's Compensation Insurance carriers, private/group insurance and CHAMPUS. Exceptions to this regulation are Bureau of Family Health Services, Indian Health Services (IHS), Ryan White Act and Victims of Crime, when Medicaid is primary.

Benefits available free of charge to recipients from other sources must be provided free of charge to Nevada Medicaid recipients.

6. Reimbursement

Inpatient freestanding psychiatric and/or alcohol/substance abuse hospitals and general acute hospitals with a psychiatric and/or substance abuse unit are reimbursed a per diem, all-inclusive prospective daily rate determined and developed by the Nevada DHCFP's Rate Development and Cost Containment Unit. (Days certified as administrative are paid at the all-inclusive prospective administrative day rate.)

For claims involving Medicare crossover, Medicaid payment is the lower of the Medicare deductible amount or the difference between the Medicare payment and the Medicaid per diem prospective payment. (Medicare crossover claims involving recipient's ages 21 to 64 in freestanding psychiatric hospitals are reimbursable only if the recipient is a QMB.) Also, additional Medicaid reimbursement is not made when the Medicare payment exceeds the Medicaid prospective rate. Service claims denied by Medicare are also denied by Medicaid.

403.10 INPATIENT ALCOHOL/SUBSTANCE ABUSE DETOXIFICATION AND TREATMENT SERVICES POLICY

Inpatient substance abuse services are those services delivered in freestanding substance abuse treatment hospitals or general hospitals with a specialized substance abuse treatment unit which includes a secure, structured environment, 24-hour observation and supervision by mental health substance abuse professionals and a structured multidisciplinary clinical approach to treatment. These hospitals provide medical detoxification and treatment services for individuals suffering from acute alcohol and substance abuse conditions.

403.10A COVERAGE AND LIMITATIONS

1. Hospital inpatient days may be considered a Medicaid benefit when detoxification and treatment for acute alcohol and/or other substance abuse necessitates the constant availability of physicians and/or medical services found in the acute hospital setting. Medicaid reimburses for admissions to substance abuse units of general hospitals (regardless of age), or freestanding psychiatric and substance abuse hospitals for recipients age 65 and older, or those under age 21. The QIO-like vendor must prior authorize and certify all hospital admissions for both detoxification and treatment services to verify appropriateness of placement and justify treatment and length of stay.

   Prior authorization is required for all Medicaid and pending Medicaid recipients, and Medicaid recipients covered through primary insurance, except Medicare Part A. If this is the case then authorization may need to be sent through Medicare.

Medicaid reimburses only for the following hospital alcohol/substance abuse detoxification and treatment services:

a. Detoxification

1. Recipients (under age 21) – Medicaid reimburses for up to five hospital inpatient detoxification days with unlimited lifetime admission services (Medicaid covers stays beyond five days only if additional detoxification services are deemed medically necessary by the QIO-like vendor).

2. Recipients age 21 years and older – Medicaid reimburses for up to five hospital inpatient detoxification days with unlimited lifetime admission services. (Medicaid covers stays beyond five days only if additional detoxification services are deemed medically necessary by the QIO-like vendor).

3. For recipients of all ages, results of a urine drug screen or blood alcohol test must be provided at the time of the initial request for authorization.

b. Treatment

1. Recipients (under age 21) – Medicaid reimburses for up to 21 hospital inpatient treatment days with unlimited lifetime admission services until the recipient reaches age 21 (stays beyond 21 days are covered only if additional treatment services are deemed medically necessary by the QIO-like vendor).

2. Recipients age 21 years and older – Medicaid reimburses for up to 21 hospital treatment days with unlimited lifetime admissions only if the recipient is deemed amenable for treatment, and has the potential to remain sober, and as determined by the physician. (Stays beyond 21 days are covered only if the additional treatment services are deemed medically necessary by the QIO-like vendor).

To measure the recipient's ability to be amenable to treatment and the potential to remain sober, he/she must:

a. Be currently attending, or willing to attend during treatment and upon discharge, and actively participate in Alcoholics Anonymous (AA) and/or Narcotics Anonymous (NA) meetings.

b. Develop, over the duration of treatment, a support system to assist sobriety efforts and a substance abuse-free lifestyle.

c. Seek employment, employment training or return to past employment if still available or attend or remain in an educational program (i.e., college, vocational training).

It is the hospital's responsibility to assist the recipient during hospitalization to assure the above mentioned post discharge resources will be utilized. Prior to inpatient admission, the referring or admitting physician must document discussing the above three "amenable to treatment" issues with the recipient, including the recipient's response to each. This documentation must be part of the recipient's inpatient hospital record. Prior to authorizing the admission, the QIO-like vendor will:

d. per discussion with the physician, verify the physician-patient communication did occur and the recipient accepts his/her responsibility toward maintaining sobriety and/or a drug free lifestyle after treatment; and

e. verify appropriateness of admission, treatment and length of stay.

A psychiatric screening must also be completed within 72 hours of any inpatient detoxification or treatment admission.

c. Absences

Please consult Section 403.9A.5 of this chapter regarding absences.

1. All Other Inpatient Services Coverage and Limitations. Please consult Section 403.9A of this chapter for all other Coverage and Limitations.

2. Non-Covered Services.

Please consult Section 403.9A for non-covered services.

403.10B PROVIDER RESPONSIBILITIES

1. The need for hospital alcohol/substance abuse detoxification and/or treatment services must be prior authorized by the QIO-like vendor. The only exception is in the event of an emergency, where a delay in treatment of more than 24 hours could result in severe pain, loss of life, limb, eyesight or hearing, injury to self or bodily harm to others. In this instance, the recipient may be admitted and the QIO-like vendor must be contacted for authorization purpose within ~~24 hours or the first working day~~ five business days of the admission.

2. Please consult Section 403.9B.1-11, of this chapter for additional provider responsibilities.

403.10C RECIPIENT RESPONSIBILITIES

1. Medicaid recipients are required to provide a valid monthly Medicaid eligibility card to their service providers.

2. Medicaid recipients are expected to comply with the service provider's treatment, care and service plans, including making and keeping medical appointments.

403.10D AUTHORIZATION PROCESS

The QIO-like vendor must certify all inpatient substance abuse detoxification and treatment admissions. Transfers to and from substance abuse detoxification/treatment services require prior authorization by the QIO-like vendor.

1. For recipients under age 21 in the custody of the public agency, Nevada Medicaid reimburses for alcohol/substance abuse detoxification and treatment services only when the following criteria are met:

   a. The Division of Child and Family Services (DCFS) Regional Resource Council (RRC), Utilization Review Team (URT) or Family Programs Office (FPO) (entities responsible for reviewing, recommending and authorizing appropriate placement and treatment services) approves the admission/placement (does not apply to placements at Desert Willow Treatment Center).

   b. The admission is prior authorized and certified by the QIO-like vendor. For recipients under age 21 not in the custody of the public agency, only "b" applies.

2. Nevada Medicaid reimburses for services for recipients admitted with an alcohol/substance abuse condition/diagnosis to a general hospital without a specialized alcohol/substance abuse unit only under one of the following conditions:

   a. The admission is an emergency and is certified by the QIO-like vendor (who must be contacted, for authorization purposes, within ~~24 hours or the first working day~~ five business days of the admission) and the hospital, as determined by the QIO-like vendor, makes all efforts to stabilize the recipient's condition and discharge the recipient to a substance abuse/psychiatric hospital or general hospital with a substance abuse/psychiatric unit as expeditiously as possible; or

   b. The recipient is dually diagnosed as having both medical and substance abuse conditions which warrant inpatient general hospital services, as determined by the QIO-like vendor; or