STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES:
HOSPITAL CARE

PART VI. INPATIENT PSYCHIATRIC SERVICES FOR INDIVIDUALS UNDER 21 YEARS

I. **Reimbursement Principles and Methods for Short-Term Inpatient Hospital Services Provided in a Psychiatric Hospital:** Reimbursement for short-term inpatient psychiatric services shall be provided by private, psychiatric hospitals located in the District in accordance with the standards specified below. Short-term hospital services shall represent the lower level of care than acute psychiatric hospital services. Reimbursement shall be governed pursuant to Attachment 4.19-A Part II.

A. Short-term services shall be delivered in hospitals that are licensed in accordance with 42 CFR §§ 440.160 and 441.150 and Section 3 of the Health-Care and Community Residence Facility, Hospice and Home Care Licensure Act of 1983, effective February 24, 1983, D.C. Law 5-48, D.C. Official Code §44-501 et seq. (2012 Repl.).

B. Payment for short-term services provided in a psychiatric hospital shall require pre-authorization from DHCF or its designee.

C. Methodology

1. Effective Fiscal Year (FY) 2015, beginning October 1, 2014, DHCF shall determine the daily interim per diem for short-term services using historical rates paid by Medicaid Managed Care Organizations (MCOs).

   a. DHCF shall take the weighted average of the rates paid by MCOs during the prior FY 2013 for a comparable level of care.

   b. The weighted average shall become the interim per diem rate paid for short-term services during FY 2015, subject to adjustments based on audit findings.

2. For FY 2015 and beyond, DHCF shall determine the final per diem for short-term services using actual short-term costs indicated on audited cost report.

3. A private, psychiatric hospital shall ensure that the costs associated with providing short-term services are distinctly listed in its submitted cost report.

4. The last day of the inpatient hospital stay (discharge) shall not be paid to the "sending hospital." Instead, the "receiving hospital" (i.e., private psychiatric hospital) shall receive payment for the transfer day as the first day for short-term services.

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5. Payment for short-term services is subject to a psychiatric hospital's adherence to the requirements of Attachment 4.19-A, Part II.

6. A private, psychiatric hospital shall ensure that the costs associated with providing short-term services are distinctly listed in the Cost Report, Form CMS-2552-10, Worksheet C, or its successor, described in Attachment 4.19-A, Part V.

D. Limitations

1. A beneficiary shall be eligible for short-term services when he or she requires ongoing treatment in an inpatient setting due to persistent symptoms related to a psychiatric episode that required an acute psychiatric hospital stay. Pursuant to 42 CFR § 441.153, a beneficiary when admitted to a facility must be certified for services by an independent team that includes a physician who has competence in diagnosis and treatment of mental illness, preferably in child psychiatry, and has knowledge of the beneficiary's situation. The physician shall also be licensed pursuant to the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Official Code § 3-1202, *et seq.*) and implementing regulations. When appropriate and based upon scope of practice, services may also be ordered by an Advanced Practice Registered Nurse (APRN) licensed pursuant to the District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Official Code § 3-1202, *et seq.*) and implementing regulations.

2. General criteria for assessing the appropriateness of short-term services shall be as follows:

   a. The beneficiary has been diagnosed with the following:

      i. A psychiatric disorder classified in the Diagnostic and Statistical Manual of Mental Disorders (DSM); or

      ii. Severe functional impairment as evidenced in the presenting history; and

   b. The beneficiary's psychological and /or physical examination reports at least one of the following:

      i. Suicidal or homicidal ideation without intent, plans, or means;

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ii. Impulsivity and/or aggression;

iii. Psycho-physiological condition (e.g., dating disorder);

iv. Affect or function impairment (i.e., withdrawn, reclusive, labile or reactive);

v. Sexually inappropriate or abusive behavior;

vi. Psychomotor agitation or retardation;

vii. Increasing mania, hypomania, psychotic, or delusional symptoms;

viii. Habitual substance use with mood disturbances increasing; or

ix. Symptoms associated with the beneficiary's behavioral health condition are expected to improve with continued inpatient treatment and cannot be treatment successfully at a lower level of care; or

c. The beneficiary's family situation and dynamics are such that he or she is unable to safely remain in the home (biological or adoptive).

3. Prior or continued stay authorizations shall be required for all short-term admissions. DHCF, or its designee, shall conduct clinical reviews and determine the appropriateness of authorizing an admission for short-term services.

4. All clinical assessments and authorization processes related to short-term services shall employ nationally recognized clinical decisions to support standards.

5. A comprehensive treatment plan shall describe the services to be delivered during the beneficiary's stay in this setting and a comprehensive discharge plan shall be developed prior to discharge.

6. At minimum, short-term services shall include the following:

a. Behavior and symptom management;

b. Clinical assessment;

c. Milieu therapy focused on skill building and time management;

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d. Multi-disciplinary evaluation;

e. Nursing services;

f. Psychopharmacology; and

g. Therapy/Counseling (Individual, Family and Group).

7. Reimbursement for inpatient short-term service stays shall not exceed forty-five (45) days unless a medical necessity determination recommends an additional stay.

8. Short-term services shall not be used as an alternative to ensure appropriate community or PRTF placements.