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UMassMemorial Health Care

Behavioral Health Programs

HCCA Boston Regional Compliance Conference

September 7, 2018

Agenda

Overview of select behavioral health programs:

- Laws and rules governing behavioral health programs
- Recent enforcement actions

Inpatient psychiatry hospitalization services:

- Medicare conditions of payment
- Potential risks and leading practices
- Case study
- Monitoring plans & leading practices

Outpatient psychiatry hospitalization services:

- General outpatient services
- Partial hospitalization programs (PHP)
- Common challenges and leading practices

Discussion/questions

Appendix: Additional details on Medicare requirements and State-specific requirements

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Overview of select behavioral health programs

Select inpatient and outpatient behavioral health programs

Inpatient psychiatry services

- Involve an overnight or longer stay
- Provide treatment to more severely ill mental health patients, usually for less than 30 days
- A person admitted to an inpatient setting might be in the acute phase of a mental illness and need help around the clock

Psychiatric hospitals

- Treat mental illnesses exclusively, although physicians are available to address medical conditions
- Might provide drug and alcohol detoxification, inpatient drug and alcohol rehabilitation services, and provide longer stays
- Might have specialty units for eating disorders, geriatric concerns, child and adolescent services, as well as substance abuse services

General medical and surgical hospitals

- General hospital with a psychiatric inpatient unit and/or a substance abuse unit
- Not very common
- Provide medical services that would not be available in a free-standing psychiatric hospital

Outpatient psychiatry services

- Involve office visits with no overnight stay
- Some are based in community mental health centers; others are located in general hospitals where individuals visit an outpatient clinic for an appointment

General outpatient psychiatric hospital services

- Mental health services and visits with psychiatrists or other doctors, clinical psychologists, clinical social workers, clinical nurse specialists, nurse practitioners, physician assistants
- Services may be provided in doctor's offices, hospital outpatient departments or community mental health center

Partial hospitalization programs (PHPs)

- Also called "day programs"
- Outpatient programs that patients attend for six or more hours a day, every day, or most days of the week
- Commonly offer group therapy, educational sessions, and individual counseling for psychiatric illnesses and/ or substance abuse
- Part of a hospital's services or freestanding

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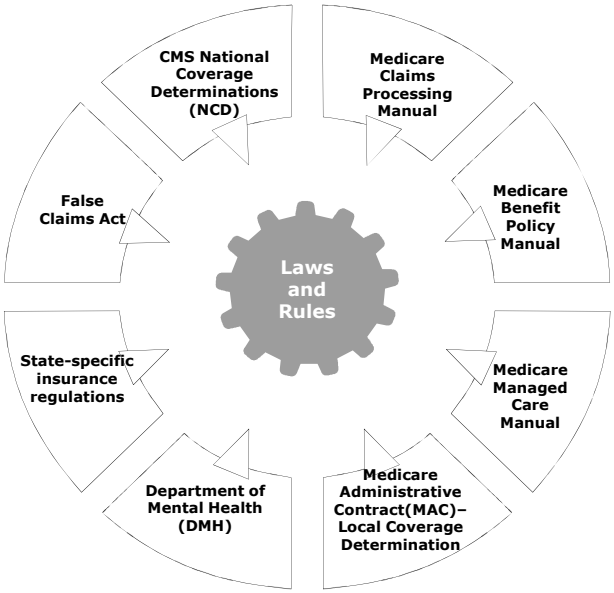
Laws and rules governing behavioral health programs



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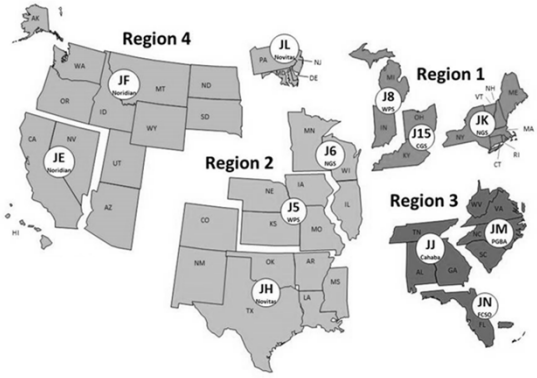
Recent enforcement actions – Inpatient psychiatric facilities

Recent CMS approved audit topic for Medicare RACs

As of 8th September 2017, one of the recent Centers for Medicare and Medicaid Services (CMS) approved audit topics include Inpatient Psychiatric Facility Services - Complex Review. Inpatient hospital services furnished in an inpatient psychiatric facility will be reviewed to determine that services were medically reasonable and necessary. Further, Inpatient Psychiatric Facility Outlier Payments were a new addition to the 2017 Office of the Inspector General (OIG) Workplan.



Source: https://oig.hhs.gov/reports-and-publications/workplan/summary/wp-summary-0000066.asp
https://performantrac.com/audit-issues/ - Region 1 and 5; http://www.cotiviti.com/healthcare/who-we-serve/cms-approved-issues - Region 2 and 3;
https://racinfo.hms.com/Public1/NewIssues.aspx - Region 4

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Recent enforcement actions – Outpatient psychiatric facilities

Medicare compliance review article

Treatment plans cause denials in Targeted Probe and Educate (TPE) oupatient psych audit

- Outpatient mental health services are a target of TPE across the country
- To get out of the TPE process, the payment error rate will need to be at or below 15%
- Concerns around treatment plans:
  - Outdated/ missing signatures
  - Credentials missing from the electronic signature

Audit Process

- Initial audit performed by Medicare Administrative Contractor (MAC) on outpatient psychiatric claims sample
- A payment error rate of more than 15%, will result in TPE
- Educational call with nurse reviewer from the MAC - opportunity to have a conversation and talk specifically about findings on specific claims
- Second audit performed on claims 45-55 days after the education calls

Source: Health Care Compliance Association, Report on Medicare Compliance, Volume 27, Number 15.

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Inpatient psychiatry hospitalization services

Condition of Medicare payment for inpatient psychiatry services

- Conditions of Payment are rules, regulations, or requirements that must be met for a healthcare provider to request and receive reimbursement, lawfully, from a Federal healthcare coverage provider (e.g., Medicare, Medicaid and TRICARE)
- Failure to comply with a condition of payment can result in a denial of the claim for payment. If the payment has already been made, the amount paid on the claim is considered an overpayment

The following slides outline Medicare Conditions of Payment requirements for the following:

Inpatient services of hospitals other than psychiatric hospitals

Inpatient psychiatric hospitals

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§412.3 Admission orders

Admission order

Requirements:

The inpatient admission order must state that the beneficiary should be formally admitted for hospital inpatient care, and must be furnished at or before the time of the inpatient admission by a physician or other qualified practitioner*.

Timing and signature requirement:

Verbal/telephone order must identify the ordering practitioner and must be authenticated (countersigned) **by the ordering practitioner prior to discharge**.

If an electronic order was not signed/cosigned by the physician, as applicable, the entire medical record should be reviewed for alternative admit language.

*A "qualified practitioner" is someone who is licensed; has admitting privileges at the hospital as permitted by State law; is knowledgeable about the patient's hospital course, medical plan of care, and current condition; and acts in accordance with scope-of-practice laws, hospital policies, and medical staff bylaws, rules and regulations.

Sources: Code of Federal Regulations, Condition of Participation 42 CFR Section 412.3 Parts A, B, and C and 482.24(c)(2); Section 482.61 (a)(3); Center for Medicare & Medicaid Services, Transmittal 234 Clarification of Admission Order and Medical Review Requirements, March 10, 2017; Medicare Benefit Policy Manual, Chapter 2, Section 20: Admission Orders; Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.14, Parts A – D. Code of Federal Regulations and Section 30.2.1 – Certification and Recertification Requirements.

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Inpatient psychiatry hospitalization services

Non-distinct part units

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§424.13 Requirements for inpatient services of hospitals other than inpatient psychiatric facilities

Physician certification

As a condition of payment for hospital inpatient services under Medicare Part A, **CMS is requiring, only for long-stay cases and outlier cases, separate physician certification of the medical necessity that such services be provided on an inpatient basis.**

The signed physician certification is considered, along with other documentation in the medical record, as evidence that hospital inpatient service(s) were reasonable and necessary.

Medicare Part A pays for inpatient hospital services (other than inpatient psychiatric facility services) **for cases that are 20 inpatient days or more**, or are outlier cases only if a physician certifies or recertifies the following:

- **The reasons for continued hospitalization**
- **The estimated time the patient will need to remain in the hospital**
- **The plans for post hospital care**, if appropriate

Sources: Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.13, Parts A and B. Center for Medicare & Medicaid Services, Transmittal 234 Clarification of Admission Order and Medical Review Requirements, March 10, 2017; Medicare Benefit Policy Manual, Chapter 1 Section 10.2 – Hospital Inpatient Admission Order and Certification.

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§424.13 Requirements for inpatient services of hospitals other than inpatient psychiatric facilities (cont'd)

Timing:

The certification must be signed and documented no later than 20 days into the hospital stay.

Signature requirement:

Certifications must be signed by the physician

Format:

As specified in 42 CFR 424.11, no specific procedures or forms are required for certification and recertification statements. The provider may adopt any method that permits verification. The certification and recertification statements may be entered on forms, notes, or records that the appropriate individual signs, or on a special separate form. Except as provided for delayed certifications, there must be a separate signed statement for each certification or recertification. If all the required information is included in progress notes, the physician's statement could indicate that the individual's medical record contains the information required and that hospital inpatient services are or continue to be medically necessary.

Sources: Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.13, Parts A and B. Center for Medicare & Medicaid Services, Transmittal 234 Clarification of Admission Order and Medical Review Requirements, March 10, 2017; Medicare Benefit Policy Manual, Chapter 1 Section 10.2 – Hospital Inpatient Admission Order and Certification.

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Inpatient psychiatry hospitalization services

Distinct part units

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Inpatient psychiatric Facilities – Medicare requirements overview

Why are inpatient psychiatry requirements different from general inpatient requirements?

The purpose of **Inpatient Psychiatric Facility (IPF) Medicare Requirements is to help ensure that Medicare pays only for services of the type appropriate for Medicare coverage.**

IPFs are certified under Medicare as inpatient psychiatric hospitals and their **documentation/content requirements are different** from general inpatient documentation requirements **because the care furnished in inpatient psychiatric facilities is often purely custodial** and thus not covered under Medicare.

For purposes of payment for IPF under Medicare Part A, required conditions of payment requirements (including admission order, certification, recertification(s) (where required)) must be met.

Medicare Part A pays for inpatient services in an IPF only if a physician certifies and recertifies the need for services consistent with the Medicare requirements for inpatient services of inpatient psychiatric facilities.

Medical record documentation must support the physician's certification / recertification statement.

Sources: Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.14, Parts A – D (Requirements for inpatient services of inpatient psychiatric facilities); Medicare Benefit Policy Manual, Chapter 2, Section 30.2.1 – Certification and Recertification Requirements.

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§424.14 Requirements for inpatient services of inpatient psychiatric facilities

Initial certification	Recertification*
Content requirements: The **physician must certify** - (1) That inpatient psychiatric services were required for treatment that could reasonably be expected to improve the patient's condition, or for diagnostic study (2) That the inpatient psychiatric services were provided in accordance with requirements outlined in §412.3 for inpatient admissions	**Content requirements:** The **recertification must indicate** that - (1) Inpatient services furnished since the previous certification or recertification were, and continue to be, required for treatment that could reasonably be expected to improve the patient's condition or for diagnostic study (2) The hospital records show that the services furnished were Intensive treatment services, Admission and related services necessary for diagnostic study, or Equivalent services (3) The patient continues to need, on a daily basis, active treatment furnished directly by or requiring the supervision of inpatient psychiatric facility personnel
Timing and signature requirements: **Certification is required at the time of admission or as soon thereafter as is reasonable and practicable** and must be completed and documented in the medical record **prior to discharge.**	**Timing and signature requirements** The **first recertification is required as of the 12th day of hospitalization**. **Subsequent recertification(s) are required** at intervals established by the Utilization Review Committee, but **no less frequently than every 30 days after the prior recertification.**

A legitimate reason for any delayed / lapsed recertification must be documented** in the medical record and a delayed / lapsed recertification **may not extend past discharge.

Sources: Code of Federal Regulations, Condition of Participation 42 CFR Section 412.3 Parts A, B, and C and 482.24(c)(2); Section 482.61 (a)(3); Center for Medicare & Medicaid Services, Transmittal 234 Clarification of Admission Order and Medical Review Requirements, March 10, 2017; Medicare Benefit Policy Manual, Chapter 2, Section 20: Admission Orders; Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.14, Parts A – D.

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§482.61 Condition of participation: Special medical record requirements for psychiatric hospitals

The medical records maintained by a psychiatric hospital **must permit determination of the degree and intensity of the treatment** provided to individuals who are furnished services in the institution.

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§482.61 Conditions of participation: Special medical record requirements for psychiatric hospitals

Assessment - Diagnosis and active treatment	Psychiatric evaluation	Treatment plan	Progress notes and discharge plan & summary
Medical records must stress the following components: • Identification data • Provisional or admitting diagnosis at the time of admission • Reasons for admission • Assessment of home plans and family attitudes, and community resource contacts as well as a social history • A complete neurological examination recorded at the time of the admission physical examination when indicated	A psychiatric evaluation must: • Be completed within 60 hours of admission • Include a medical history • Contain a record of mental status • Note the onset of illness and the circumstances leading to admission • Describe attitudes and behavior • Estimate intellectual functioning, memory functioning, and orientation • Include an inventory of the patient's assets in descriptive, not interpretative fashion	Treatment plan must include: • A substantiated diagnosis • Short-term and long-range goals • Specific treatment modalities utilized • Responsibilities of each member of the treatment team • Documentation to justify the diagnosis and the treatment and rehabilitation activities carried out The treatment received by the patient must be documented in such a way to assure that all active therapeutic efforts are included.	• Recorded by - DM/ DO, nurse, social worker, others significantly involved in active treatment modalities • Frequency - at least weekly for the first two months and at least once a month thereafter • Content - recommendations for revisions in the treatment plan, assessment of the patient's progress • Discharge summary must include a summary of the patient's hospitalization and recommendations from appropriate services concerning follow-up or aftercare as well as a brief summary of the patient's condition on discharge

All medical records, including progress notes, should be legible and complete, and should be promptly signed and dated by the person (identified by name and discipline) who is responsible for ordering, providing, or evaluating the service furnished.

Source: Code of Federal Regulations, Condition of Participation 42 CFR Section 482.61, Part A, B, C, D and E

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Potential risks and leading practices

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Potential risks of not meeting conditions of payment and leading practices

Potential risks

Liability for False Claims and overpayments rests with the provider submitting the claim, so providers must become more familiar with billing guidelines, regulations, and statues

Loss of accreditation, certification and federal debarment resulting in Medicare funding loss and patient load decrease

Diminished reputation and public relations issues

Difficulty in recruiting top faculty & students

Leading practices

Conduct documentation review to support billing activities (e.g., coverage analysis and billing grid)

Perform periodic review of policies & procedures

Maintain clear delineation of roles and responsibilities

Implement an on-going education plan for all stakeholders

Develop and implement an **auditing and monitoring compliance roadmap**

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Case study

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Inpatient psychiatry distinct part unit – certification and recertification

Situation

Need to assure that Provider's **certification and recertification** for inpatient psychiatry services are **complete and timely**

Complication

Inpatient psychiatry services provided **without accurate or timely completed certification and recertification** may be subject to **overpayment and recoupment by regulators**

Resolution

Performed sample review to identify focus areas/development needs across process, people, and technology

Redefined roles/responsibilities of nursing staff/case management and added additional resources

Performed training for all clinicians, staff and prepared check-lists, guidelines, reference sheets, etc.

Initiated bill hold and pre-bill monitoring review prior to discharge by CM and post discharge by HIM/Billing

Enhanced EMR system to include electronic certification process and continue manual at the start but now is for back up use (job aid, training, testing, reporting, etc.)

Conduct ongoing monitoring by compliance and case management

Impact

Certification and recertification for inpatient psychiatry services accurately completed for all claims submitted to Medicare

Actionable opportunities for continued improvement identified

Identification of claims which do not have documentation to support billing

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Illustrative Medicare certification / recertification inpatient psych paper form

UMASS MEMORIAL HEALTH CARE
INPATIENT PSYCHIATRY

CERTIFICATION / RECERTIFICATION

NAME:
BIRTHDATE/AGE: SEX:
MEDICAL RECORD NUMBER:
ECD / ACCOUNT NUMBER:
PRINT CLEARLY IN INK OR IMPRINT WITH PATIENT'S CARD

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☐ UMass Memorial Medical Center
☐ UMass Memorial HealthAlliance-Clinton Hospital
☐ UMass Memorial - Marlborough Hospital
☐ UMass Memorial Medical Group - Location: _____

ATTENDING PHYSICIAN CERTIFICATION UPON ADMISSION

I certify that inpatient psychiatric services are medically necessary for:
☐ Treatment which could reasonably be expected to improve the patient's condition, or
☐ Diagnostic study
AND
That the inpatient psychiatric services were provided in accordance with admission criteria.

Attending Physician Signature | Printed Name | Pager | Date | Time

ATTENDING PHYSICIAN RECERTIFICATION ON DAY 12

I certify that inpatient psychiatric services furnished since the previous certification or recertification were, and continue to be, medically necessary for:
☐ Treatment which could reasonably be expected to improve the patient's condition, or
☐ Diagnostic study
AND
Hospital records indicate that the services furnished were either intensive treatment services, or admission and related services necessary for diagnostic study, or equivalent services.
AND
The patient continues to need, on a daily basis, active treatment furnished directly by or requiring the supervision of inpatient psychiatric facility personnel.

Reason for delayed/lapsed recertification: _____

Attending Physician Signature | Printed Name | Pager | Date | Time

ATTENDING PHYSICIAN RECERTIFICATION ON DAY 30 AND EVERY 30 DAYS THEREAFTER

I certify that inpatient psychiatric services furnished since the previous certification or recertification were, and continue to be, medically necessary for:
☐ Treatment which could reasonably be expected to improve the patient's condition, or
☐ Diagnostic study
AND
Hospital records indicate that the services furnished were either intensive treatment services, or admission and related services necessary for diagnostic study, or equivalent services.
AND
The patient continues to need, on a daily basis, active treatment furnished directly by or requiring the supervision of inpatient psychiatric facility personnel.
OR

Reason for delayed/lapsed recertification: _____

Attending Physician Signature | Printed Name | Pager | Date | Time

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Illustrative Medicare conditions of payment monitoring check-list (Utilized by Case Management for pre-discharge record review)

✓	Patient name
✓	Date of birth
✓	MRN
✓	Primary insurance
✓	Admission date
✓	Discharge date
✓	Length of stay
✓	Verbal/ telephone order present (Date, time, ordering provider name, and RN notation)
✓	Valid Order Present - Sign prior to discharge (Date, time, provider signature)
✓	Valid Certification for Psych - Sign prior to discharge (Date, time, provider name and signature)
✓	Valid Recert Present (12th day, if applicable) – Signed on 12th day (Date, time, provider name and signature)
✓	Valid Recert Present (30th day, if applicable) - Signed on every 30th day since the last recertification (Date, time, provider name and signature)
✓	Valid Involuntary Hospitalization Form - Sign at the time of hospitalization as applicable (Confirm Box G is checked) (Date, time, provider name and signature)
✓	Valid Voluntary Hospitalization Form - Sign at the time of hospitalization as applicable (Confirm Box 4A or 4B is checked) (Date, time, provider name and signature)
✓	Initial Psychiatric Evaluation (Visit date, provider name, signature, date and time; Notes supporting medical necessity and expectations for improvements)

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Monitoring and auditing plan

A continued monitoring and frequent auditing plan will ensure that claims submitted to governmental payors are compliant and will not be subject to denial or recoupment actions.

Pre-bill

- Reviewing content and timeliness of certification and recertification
- Assessment of documentation for conditions of payment and conditions of participation
- Training and documentation of training for providers and case management
- Case management's focused review of inpatient stays longer than 12 days for medical necessity and post acute placement

Post-billing

- Review of paid claims for compliance with payment and medical necessity requirements
- Monitoring of ADR or other audit requests from regulators and appropriate response preparation
- Continued training for providers and case management staff

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Outpatient psychiatry hospitalization services

Medicare requirements for outpatient psychiatry services

Medicare Part B (Medical Insurance) helps cover mental health services and visits with these types of health professionals (deductibles and coinsurance may apply):

- Psychiatrist or other doctor (must accept assignment if they participate in Medicare)
- Clinical psychologist
- Clinical social worker
- Clinical nurse specialist
- Nurse practitioner
- Physician assistant

General outpatient hospital psychiatric services

Partial hospitalization programs (PHPs)

Sources: Centers for Medicare & Medicaid Services, Medicare & your mental health benefits, Section 1: Outpatient mental healthcare & professional services

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General outpatient hospital psychiatric services

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General outpatient hospital psychiatric services

Medicare requirements and Covered and non-covered services

The outpatient psychiatric hospital services and supplies must be

- **Medically reasonable and necessary**
- Furnished under an **individualized written plan of care** (POC)
- **Supervised and periodically evaluated by a physician**

Covered outpatient services	**Non-covered services**
• **Individual and group therapy** • **Occupational therapy** • **Services of social workers, trained psychiatric nurses**, and other staff trained to work with psychiatric patients • **Drugs and biologicals** • **Activity therapies** • **Family counseling services** • **Patient education programs** • **Diagnostic services**	• **Meals and transportation** • Activity therapies, group activities or other services and programs which are primarily **recreational or diversional** in nature. Outpatient psychiatric day treatment programs that consist entirely of activity therapies are not covered • "**Geriatric day care**" • **Psychosocial programs** • **Vocational training**

Sources: Centers of Medicare & Medicaid Services, Medicare Learning Network, Mental health services, ICN 903195 and Centers for Medicare & Medicaid Services, Medicare Benefit Policy Manual, Chapter 6 - Hospital Services Covered Under Part B

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General outpatient hospital psychiatric services

General principles of medical record documentation

- Medical records should **be complete and legible**
- Documentation of each patient encounter should include:
  - Reason for **encounter** and **relevant history**
  - **Physical examination** findings and prior **diagnostic test** results
  - **Assessment**, **clinical impression**, and **diagnosis**
  - **Plan for care**
  - **Date and legible identity** of observer
- If not documented, the **rationale for ordering diagnostic and other ancillary services** should be easily inferred
- **Past and present diagnoses** should be accessible for treating and/or consulting physician
- Appropriate **health risk factors** should be identified
- Patient's **progress**, **response to changes** in treatment, and **revision of diagnosis** should be documented
- **CPT and ICD-9-CM codes** reported on the health insurance claim should be supported by documentation in the medical record

Sources: Centers of Medicare & Medicaid Services, Medicare Learning Network, SE0816, Medicare Payments for Part B Mental Health Services

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Partial hospitalization programs

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Partial hospitalization programs
Medicare requirements

- **Medicare may cover partial hospitalization:**
  - If the services are provided to patients as an alternative to inpatient psychiatric care
  - If the treatment is provided during the day and doesn't require and overnight stay
  - Services provided through hospital outpatient department or community mental health center
  - Services covered:
    - Occupational therapy that's part of the mental health treatment
    - Individual patient training and education about their condition

- **The following program and patient criteria must be met:**
  - Individual plan of care
  - Multidisciplinary team approach
  - Treatment goals
  - Comprehensive, highly structured and scheduled multimodal treatment
  - Ability to cognitively and emotionally participate

Sources: Centers for Medicare & Medicaid Services, Medicare & your mental health benefits, Section 1: Outpatient mental healthcare & professional services; Centers of Medicare & Medicaid Services, Medicare Learning Network, SE0816, Medicare Payments for Part B Mental Health Services

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Partial hospitalization programs
Medicare requirements (cont'd)

Initial certification

Content requirements:

The **physician must certify** -

(1)The individual would require inpatient psychiatric care if the partial hospitalization services were not provided

(2)The services are or were furnished while the individual was under the care of a physician

(3)The services were furnished under a written plan of treatment

Plan of treatment requirements:

The plan is an individualized plan that is established and is periodically reviewed by a physician in consultation with appropriate staff participating in the program, and that sets forth—

(1)The physician's diagnosis

(2)The type, amount, duration, and frequency of the services

(3)The treatment goals under the plan

The physician determines the frequency and duration of the services taking into account accepted norms of medical practice and a reasonable expectation of improvement in the patient's condition.

Sources: Code of Federal Regulations, Requirement for medical and other health services furnished by providers under Medicare Part B, Section 424.24 (e)

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Partial hospitalization programs
Medicare requirements (cont'd)

Recertification*

Content requirements:

The **recertification must indicate** that -

The recertification must specify that the patient would otherwise require inpatient psychiatric care in the absence of continued stay in the partial hospitalization program and describe the following:

(1)The patient's response to the therapeutic interventions provided by the partial hospitalization program

(2)The patient's psychiatric symptoms that continue to place the patient at risk of hospitalization

(3)Treatment goals for coordination of services to facilitate discharge from the partial hospitalization program

Timing and signature requirements:

(1)The physician recertification must be signed by a physician who is treating the patient and has knowledge of the patient's response to treatment

(2)The first recertification is required as of the **18th day** of partial hospitalization services. Subsequent re-certifications are required at intervals established by the provider, but **no less frequently than every 30 days**

Sources: Code of Federal Regulations, Requirement for medical and other health services furnished by providers under Medicare Part B, Section 424.24 (e)

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Common challenges and leading practices

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Common challenges and leading practices for outpatient psychiatry services

	Common challenges	Leading practices
Coding concerns	Individual psychotherapy claims may lack documentation to justify the time billed: • Individual psychotherapy can be billed as one of three time periods: 20 to 30 minutes, 45 to 50 minutes, or 75 to 80 minutes • When the documentation lacks face-to-face time spent, the services are billed at lowest possible time period	• Continuously review processes and workflow strategy to ensure the running of a high quality coding department • Analysis of internal data to identify trends and outliers • Benchmarking of internal data with external data to identify if internal trends are in line with national and state average • Based on internal and external benchmarking, target areas for further review and detect root causes for any errors • Focused chart review of target CPTs and providers
Medical history documentation	Missing documentation around diagnosis, mental status examination, and psychiatric history	
Ordering services	• Lack of a valid order for behavioral health services • Lack of documentation around assessment of the patient prior to ordering behavioral health services	

Sources: Centers of Medicare & Medicaid Services, Medicare Learning Network, SE0816, Medicare Payments for Part B Mental Health Services

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Discussion/questions

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Appendix

§424.13 Requirements for inpatient services of hospitals other than inpatient psychiatric facilities

Physician certification

As a condition of payment for hospital inpatient services under Medicare Part A, according to section 1814(a) of the Social Security Act, **CMS is requiring, only for long-stay cases and outlier cases, separate physician certification of the medical necessity that such services be provided on an inpatient basis.** The signed physician certification is considered, along with other documentation in the medical record, as evidence that hospital inpatient service(s) were reasonable and necessary.

Medicare Part A pays for inpatient hospital services (other than inpatient psychiatric facility services) **for cases that are 20 inpatient days or more**, or are outlier cases only if a physician certifies or recertifies the following:

- **The reasons for continued hospitalization** - The physician certifies the reasons for either (i) Continued hospitalization of the patient for inpatient medical treatment or medically required inpatient diagnostic study; or (ii) Special or unusual services for outlier cases under the applicable prospective payment system for inpatient services. For example, documentation of an admitting diagnosis could fulfill this part of the certification requirement
- **The estimated time the patient will need to remain in the hospital** - For the purposes of meeting the requirement for certification, expected or actual length of stay may be documented in the order or a separate certification or recertification form, but it is also acceptable if discussed in the progress notes assessment and plan or as part of routine discharge planning
- **The plans for post hospital care**, if appropriate

Sources: Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.13, Parts A and B. Center for Medicare & Medicaid Services, Transmittal 234 Clarification of Admission Order and Medical Review Requirements, March 10, 2017; Medicare Benefit Policy Manual, Chapter 1 Section 10.2 – Hospital Inpatient Admission Order and Certification.

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§424.13 Requirements for inpatient services of hospitals other than inpatient psychiatric facilities (cont'd)

Timing:

The certification must be signed and documented no later than 20 days into the hospital stay.

Under extenuating circumstances, delayed initial certification or recertification of an outlier case may be acceptable as long as it does not extend past discharge. For all other long stay cases, the certification must be signed and documented no later than 20 days into the inpatient portion of the hospital stay.

Signature requirement:

Certifications must be signed by the physician (a doctor of medicine or osteopathy) responsible for the case, or by another physician who has knowledge of the case and who is authorized to do so by the responsible physician or by the hospital's medical staff.

Format:

As specified in 42 CFR 424.11, no specific procedures or forms are required for certification and recertification statements. The provider may adopt any method that permits verification. The certification and recertification statements may be entered on forms, notes, or records that the appropriate individual signs, or on a special separate form. Except as provided for delayed certifications, there must be a separate signed statement for each certification or recertification. If all the required information is included in progress notes, the physician's statement could indicate that the individual's medical record contains the information required and that hospital inpatient services are or continue to be medically necessary.

Sources: Code of Federal Regulations, Conditions for Medicare Payment 42 CFR Section 424.13, Parts A and B. Center for Medicare & Medicaid Services, Transmittal 234 Clarification of Admission Order and Medical Review Requirements, March 10, 2017; Medicare Benefit Policy Manual, Chapter 1 Section 10.2 – Hospital Inpatient Admission Order and Certification.

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General outpatient hospital psychiatric services

Medicare requirements

The outpatient psychiatric hospital services and supplies must be

- **Medically reasonable and necessary** for the purpose of diagnostic study or be reasonably expected to improve the patient's condition
- Furnished under an **individualized written plan of care** (POC) that states:
  - The type, amount, frequency, and duration of services to be furnished
  - The diagnosis
  - Anticipated goals (except when only a few brief services are furnished)
- **Supervised and periodically evaluated by a physician** who
  - Prescribes the services
  - Determines the extent to which treatment goals have been reached and whether changes in direction or emphasis are needed
  - Provides supervision and direction to the therapists involved in the patient's treatment
  - Documents his or her involvement in the patient's medical record
  - For the **purpose of diagnostic study** or, at a minimum, designed to **reduce or control the patient's psychiatric symptoms** to prevent a relapse or hospitalization and improve or maintain the patient's level of functioning

Sources: Centers of Medicare & Medicaid Services, Medicare Learning Network, Mental health services, ICN 903195

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Partial hospitalization programs
Medicare requirements

Reasonable and necessary services:

Partial hospitalization programs are structured to provide intensive psychiatric care through active treatment for patients who would otherwise require inpatient psychiatric care. These programs are used to prevent psychiatric hospitalization or shorten an inpatient stay and transition the patient to a less intensive level of care.

Reasonable expectation of improvement for mental health services:

- Services furnished under partial hospitalization programs must be for the purpose of diagnostic study or be reasonably expected to improve the patient's condition
- The treatment must, at a minimum, be designed to reduce or control the patient's psychiatric symptoms so as to prevent relapse or hospitalization and improve or maintain level of functioning
- Continued treatment in order to maintain a stable psychiatric condition or functional level requires evidence that less intensive treatment options (e.g. intensive outpatient, psychosocial, day treatment, and/or other community supports) cannot provide the level of support necessary to maintain the patient and to prevent hospitalization

Summary:

Medicare may cover partial hospitalization:

- If the services are provided to patients as an alternative to inpatient psychiatric care
- If the treatment is provided during the day and doesn't require and overnight stay
- Services provided through hospital outpatient department or community mental health center
- Services covered:
  - Occupational therapy that's part of the mental health treatment
  - Individual patient training and education about their condition

Sources: Centers for Medicare & Medicaid Services, Medicare & your mental health benefits, Section 1: Outpatient mental healthcare & professional services; Centers of Medicare & Medicaid Services, Medicare Learning Network, SE0816, Medicare Payments for Part B Mental Health Services

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Partial hospitalization programs
Medicare requirements (cont'd)

In accordance with 42 CFR Parts 410.2 and 410.43, partial hospitalization services for Medicare purposes, means a distinct and organized intensive ambulatory treatment program that offers less than 24-hour daily care and that furnishes services to patients who either:

- Have been discharged from inpatient hospital treatment, and the PHP is in lieu of continued inpatient treatment; or
- Would be at reasonable risk of requiring inpatient hospitalization in the absence of partial hospitalization

- A PHP, for Medicare purposes, is a program that is furnished by a hospital to its outpatients or by a CMHC that provides partial hospitalization services.
- **The following program and patient criteria must be met:**
  - Active treatment is furnished that incorporates an **individual POC** with a coordination of services designed for the needs of the patient
  - Treatment includes a **multidisciplinary team approach** to care under the direction of a physician who certifies the patient's need for partial hospitalization and for a minimum of 20 hours per week of therapeutic services, as evidenced by the POC
  - **Treatment goals** should be measureable, functional, time-framed, medically necessary and directly related to reason of admission
  - The patient requires **comprehensive, highly structured and scheduled multimodal treatment** that requires medical supervision and coordination under an individualized POC because of a mental disorder that severely interferes with multiple areas of daily life (social, vocational, activities of daily living (ADL)/ instrumental ADLs, and/or educational functioning)
  - The patient is able to **cognitively and emotionally participate** in the active treatment process and is capable of tolerating the intensity of a PHP

Sources: Centers of Medicare & Medicaid Services, Medicare Learning Network, Mental health services, ICN 903195

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State-specific requirements

Local coverage determination
Massachusetts

In addition to Federal requirements, there may be state-specific regulations or guidelines that are covered by Local Coverage Determinations (LCD) for a given MAC jurisdiction. National Government Services, Inc. (NGS) has published LCDs for both inpatient and outpatient psychiatric services

Inpatient psych (LCD L33624)

General documentation requirements:

- Documentation to support medical necessity and active treatment

Certification and recertification requirements:

- To certify that the inpatient psychiatric facility admission was medically necessary for treatment which could reasonably be expected to improve the patient's condition, or diagnostic study
- Effective July 1, 2006, physicians will also be required to include a statement recertifying that the patient continues to need**, on a daily basis**, active treatment furnished directly by or requiring the supervision of inpatient psychiatric facility personnel

Initial psychiatric evaluation:

- The initial psychiatric evaluation with medical history and physical examination should be performed **within 24 hours** of admission, but in no case later than **60 hours** of admission
- This individualized, comprehensive, outcome-oriented plan of **treatment** should be developed within **the first 3 program days** after admission
- Physician **progress notes should be recorded at each patient encounter** and contain patient history, changes in signs and symptoms, and results of any diagnostic testing, plans for continued treat or discharge

Outpatient psych (LCD L33632)

General coverage requirements:

- Hospital outpatient psychiatric services must be: incident to a physician's service, and reasonable and necessary for the diagnosis or treatment of the patient's condition

Coverage criteria:

- **Exception for individualized treatment plan:** A plan is not required if only a few brief services will be furnished
- **Reasonable expectation of improvement:** Services must be expected to improve condition, reduce or control psychiatric symptoms so as to prevent relapse or hospitalization, improve or maintain level of functioning, or avoid further deterioration/ hospitalization
    - "Improvement" in this context is measured by comparing the effect of continuing treatment versus discontinuing it
    - When stability can be maintained without further treatment or with less intensive treatment, the psychological services are no longer medically necessary

Frequency and duration of Services: no specific limits on the length of time that services may be covered. As long as the evidence shows that the patient continues to show improvement in accordance with his/her individualized treatment plan, and the frequency of services is within accepted norms of medical practice, coverage may be continued

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Sources: Centers of Medicare & Medicaid Services, Local Coverage Determination (LCD): Psychiatric inpatient hospitalization (L33624); Centers of Medicare & Medicaid Services, Local Coverage Determination (LCD): Psychiatry and psychology services (L33632)

Voluntary and involuntary forms
Massachusetts

Voluntary and involuntary examination and commitment forms are also usually governed by state rules and regulations. In Massachusetts, M.G.L. Sections 10, 11 and 12 govern voluntary and involuntary admissions

Voluntary admissions (section 10 & 11)	The superintendent may receive and retain on a voluntary basis any person providing the person is in need of care and treatment and providing the admitting facility is suitable for such care and treatment. **The application may be made:** • by a person who has attained the age of sixteen • by a parent or guardian of a person on behalf of a person under the age of eighteen years • by the guardian of a person on behalf of a person under his guardianship **Discharge:** The superintendent may discharge any person admitted at any time he deems such discharge in the best interest of such person (14 days notice) **Withdrawal:** Person retained in a facility shall be free to leave such facility at any time, and any parent or guardian who requested the admission of such person may withdraw such person at any time, upon giving written notice to the superintendent.
Involuntary admissions (section 12)	Restraint of a person who is likely to create serious harm by reason of mental illness for a three-day period at a public facility or a private facility authorized for such purpose by the department. **Restrain can be authorized by:** • Any physician who is licensed or • A qualified psychiatric nurse mental health clinical specialist or • A qualified psychologist or • A licensed independent clinical social worker or • A police office – only in an emergent situation and in the absence of the aforementioned health professionals **Requirement for prior examination:** If an examination is not possible because of the emergency nature of the case and because of the refusal of the person to consent to such examination, the person may still be hospitalized based on facts and circumstances

Sources: The General Court of the Commonwealth of Massachusetts, General Laws, Part I, Title XVII, Chapter 123, Section 10, 12, 12

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