



NORTH DAKOTA MEDICAID IMD POLICY UPDATE

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| Human Services

What is an IMD?

- Institutions for mental diseases (IMDs) are 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.
- This definition is in §1905(i) of the Social Security Act and in 42 CFR 435.1009.
- Facilities with fewer than 17 beds that specialize in treating persons with mental disorders can provide the types of services discussed if they meet the regulatory requirements to provide these institutional benefits, but these facilities are not technically IMDs. Because IMDs are defined to be institutions with more than 16 beds, the IMD exclusion applies only to institutions with at least 17 beds.

What is the IMD exclusion?

- The IMD exclusion is in §1905(a) of the Social Security Act in paragraph (B) following the list of Medicaid services. This paragraph states that federal financial participation is not available for any medical assistance under title XIX for services provided to any individual who is under age 65 and who is a patient in an IMD unless the payment is for inpatient psychiatric services for individuals under age 21.
- This exclusion was designed to assure that states, rather than the federal government, continue to have principal responsibility for funding inpatient psychiatric services. Under this broad exclusion, no Medicaid payment can be made for services provided either in or outside the facility for IMD patients in this age group.

What are the responsibilities of the state Medicaid agency regarding IMDs?

- State Medicaid agencies are responsible for designating IMDs based on guidance provided by the Centers for Medicare and Medicaid Services (CMS) in its State Medicaid Manual.
- ND Medicaid recently published a policy to guide efforts to ensure that IMDs are appropriately designated in the state and working with providers to ensure compliance with the federal IMD rules.
 - <http://www.nd.gov/dhs/services/medicalserv/medicaid/docs/imd-provider-policy.pdf>

What about facilities with multiple locations?

Facilities with multiple locations (whether on the same campus or different campuses) are evaluated to determine if the multiple locations are operating as a single, unified facility. The questions below are used to make the determination.

- Are both facilities controlled by one owner or governing body?
- Is one chief medical officer responsible for the medical staff activities in both facilities?
- Is there a shared administrative oversight (e.g., does the same person(s) control the hiring, firing and scheduling of staff and activities at both facilities)?
- Do the facilities use the same clinical or unlicensed staff?
- Is it expected at time of hiring that a staff member might work at either facility, or does each facility maintain a separate staff?
- Do residents at one facility utilize services from the other facility (e.g., residents at facility A attend counseling sessions at facility B)?
- Do the facilities share operational components (e.g., do they use the same groundskeepers, laundry service, food services, etc.)?
- Are the facilities separately licensed?

What about facilities with multiple locations (con't)?

- If it is determined that overall, the facilities are operating as a single, unified facility, the beds at each facility will be added together. If the total number of beds is greater than 16, ND Medicaid will consider the facilities to fall under the IMD exclusion.
- If it is determined that overall, the facilities do not operate as a single, unified facility, the beds at each facility will be counted separately for each location.
- If the total number of beds at any single location is greater than 16, ND Medicaid will consider the facility to fall under the IMD exclusion.

Frequently Asked Questions

- **If a facility has beds that are used to accommodate children of individuals who are being treated, do those beds count towards the overall bed count?**

No. Beds that are not licensed or used as treatment beds do not need to be counted.

- **If an individual who is currently receiving inpatient or residential services at an IMD and needs other medical services outside of the IMD, does Medicaid cover those services?**

No. The IMD exclusion applies not only to IMD services but to all Medicaid services.

- **Can a Medicaid member who is receiving outpatient services at the IMD stay onsite at the IMD if the member pays for their own room and board?**

No. If a Medicaid member is staying onsite at the IMD, no Medicaid services may be reimbursed on behalf of that member.

Frequently Asked Questions (con't)

- **If an individual is on a conditional release or leave from an IMD, are they considered to be a patient of the IMD?**

No. If the period of absence relates to the course of treatment for the individual's mental disorder, the individual is not considered to be a patient. If a patient is sent home for a trial visit, this is convalescent leave. If a patient is released from the institution on the condition that the patient receive outpatient treatment or on other comparable conditions, the patient is on conditional release.

If an emergency or other need to obtain medical treatment arises during the course of convalescent leave or conditional release, these services may be covered under Medicaid because the individual is not considered to be an IMD patient during these periods. If a patient is temporarily transferred from an IMD for the purpose of obtaining medical treatment, however, this is not considered a conditional release, and the patient is still considered an IMD patient.

Frequently Asked Questions (con't)

- **Can an IMD provide Medicaid-reimbursable services to individuals age 65 and over?**

Yes, because the IMD exclusion does not apply to individuals ages 65 and older.

- **Are psychiatric residential treatment facilities (PRTFs) considered IMDs?**

Yes, if the facility meets the criteria to be classified as an IMD. However, Medicaid payment is available for inpatient psychiatric services as well as other Medicaid-covered services for individuals under age 21, because individuals under the age of 21 are not included in the IMD exclusion.

- **Are qualified residential treatment programs (QRTPs) considered IMDs?**

Yes, if the facility meets the criteria to be classified as an IMD.

Contact Information

If you need additional information or have questions, reach out to Krista at krfremming@nd.gov or 701-328-2342.