

	MEDICAL ASSISTANCE BULLETIN COMMONWEALTH OF PENNSYLVANIA * DEPARTMENT OF PUBLIC WELFARE	
	SUBJECT Certification of Need - Medical Assistance Patients Under the Age of 21	BY  Gerald F. Radke Deputy Secretary for Medical Assistance Programs
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PURPOSE:

The purpose of this bulletin is to remind inpatient psychiatric hospitals of federal requirements to certify need for services to patients under the age of 21 for inpatient psychiatric services, and to issue information on "certification of need" documentation.

SCOPE:

This bulletin applies to all private psychiatric hospitals enrolled in the Medical Assistance Program.

BACKGROUND:

Effective January 1, 1973, the 1972 Social Security Act Amendments expanded Medicaid (Medical Assistance Programs) reimbursement for inpatient psychiatric hospital services to eligible persons under age 21. The federal statute and regulations required the hospital to provide active treatment and to make specific clinical determinations as to the individual's need for treatment in a hospital inpatient setting (certification of need).

Per Federal Regulations at 42 CFR 441, subpart D, the admission of a medical assistance patient under age 21 for the inpatient psychiatric hospital services requires a review of the patient's need for inpatient services and the admitting hospital to provide active treatment. Reviews for elective admissions must be conducted by an independent team of health professionals not associated with the admitting hospital. The team certifying the need for admission must include: a physician who is competent in the diagnosis and treatment of mental illness, preferably in the area of child psychiatry, and has knowledge of the individual situation; and other mental health professionals. The team must determine whether the following criteria for admission are met:

1. Ambulatory care resources available in the community do not meet treatment needs of the recipient;
2. Proper treatment of the individual psychiatric condition requires services on an inpatient basis under the direction of a physician; and
3. Inpatient psychiatric services can be reasonably expected to improve the individual's condition or prevent further regression so that the inpatient service will no longer be needed.

According to the Department of Health and Human Services (DHHS), Office of the Inspector General, validation of the above three determining criteria is required as certification of need for an admission.

Recent Medicaid audits were conducted by DHHS of two Pennsylvania psychiatric hospitals serving children and adolescents. The audits found that the hospitals did not, in some cases, comply fully with the certification of need requirements of 42 CFR 441, subpart D. The potential disallowances totalled \$5.4 million. The Omnibus Budget Reconciliation Act of 1990 prohibits DHHS from recovering any audit disallowances for services provided prior to November 5, 1990. However, DHHS has notified Pennsylvania that it will be accountable for full regulatory compliance for services provided on or after November 5, 1990, and that audited disallowances will be imposed if discrepancies are discovered.

The Department is seeking further clarification from the Health Care Financing Administration (HCFA) regarding its requirement that the team reviewing and certifying elective admissions be "independent" from the admitting hospital. HCFA is clear that the admitting hospital's treatment team may not perform this function for elective admissions although the admitting hospital's treatment team may certify the need if the admission is an emergency admission. We will notify hospitals, by Medical Assistance Bulletin, of any clarifications received from HCFA regarding this issue.

PROCEDURE:

Private psychiatric hospitals must implement procedures to ensure that the hospitals are in compliance with federal regulations for admissions of medical assistance recipients under age 21. For admission of these recipients, admitting hospitals must do the following:

1. Determine whether the admission is elective or emergent. An elective admission is defined as a preplanned admission wherein scheduling options may be exercised without unfavorably affecting the outcome of the treatment. An emergency admission is defined as an inpatient psychiatric admission that is necessary to prevent the death, or serious impairment of health of the individual and which, because of the threat to the life or health of the individual, requires the most accessible hospital available that is equipped to furnish these services.
 - a. If the admission is elective, certification of the patient's need for inpatient services must have been done by an independent team of professionals, not associated with the admitting hospital before the admission, but no more than 60 days prior to the admission.
 - b. If the hospital determines that the admission was an emergency, the hospital must document in the patient's medical record, progress notes that the admission was an emergency, and the certification of need must be completed within 14 days of the admission by the team responsible for the treatment plan.
2. There is no required federal or state form on which to document the need for admission. The certification of need can be documented adequately through a variety of customary medical record entries such as: clinical abstracts; discharge summaries; letters of referral from the referring agency; or progress notes by the patient's treatment team. Whatever form the documentation of certification of need takes, it must include a specific statement for each of the three criteria used to determine the appropriateness of hospitalization.

Note: If a hospital admits recipient on a nonemergency basis without the requisite certification from an independent team, or the certification is not completed within 14 days of an emergency admission, the hospital is ineligible for payment for the stay and any payments may be recouped.

COMMENTS AND QUESTIONS REGARDING THIS BULLETIN SHOULD BE DIRECTED TO:

Division of Inpatient Operations
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Or Call: 1-800-822-2901
Out-of-State: 1-800-441-8187

Visit the Office of Medical Assistance Programs website at www.dpw.state.pa.us/omap.