

MICHIGAN DEPARTMENT OF HEALTH AND HUMAN SERVICES

NOTICE OF PROPOSED POLICY

Public Act 280 of 1939, as amended, and consultation guidelines for Medicaid policy provide an opportunity to review proposed changes in Medicaid policies and procedures.

Please review the policy summary and the attached materials that describe the specific changes being proposed. Let us know why you support the change or oppose the change.

Submit your comments to the analyst by the due date specified. Your comments must be received by the due date to be considered for the final policy bulletin.

Thank you for participating in the consultation process.



Director, Program Policy Division
Bureau of Medicaid Policy, Operations, and Actuarial Services

Project Number: 2325-PRTF	Comments Due: July 3, 2023	Proposed Effective Date: July 1, 2023
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Mail Comments to: Kristen Jordan

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Policy Subject: Psychiatric Residential Treatment Facilities (PRTF)

Affected Programs: Medicaid, Healthy Michigan Plan, MI Choice

Distribution: Prepaid Inpatient Health Plans (PIHPs), Community Mental Health Services Programs (CMHSPs), Medicaid Health Plans (MHPs), State Psychiatric Hospitals

Policy Summary: The policy establishes a Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual chapter specific to Psychiatric Residential Treatment Facility (PRTF) service providers.

Purpose: To establish a Medicaid PRTF benefit for Michigan. A PRTF is a non-hospital facility that provides short-term, intense, comprehensive mental health treatment to children and adolescents with the goal of returning youth to the family or another less restrictive setting as soon as clinically possible.

Bulletin Number: MMP 23-39

Distribution: Prepaid Inpatient Health Plans (PIHPs), Community Mental Health Services Programs (CMHSPs), Medicaid Health Plans (MHPs), State Psychiatric Hospitals

Issued: May 30, 2023

Subject: Psychiatric Residential Treatment Facilities (PRTF)

Effective: July 1, 2023

Programs Affected: Medicaid, Healthy Michigan Plan, MI Choice

This purpose of this policy is to establish a Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual chapter specific to Psychiatric Residential Treatment Facility (PRTF) service providers.

SECTION 1 – General Information

This chapter applies to PRTF service providers. According to the Centers for Medicare & Medicaid Services (CMS), a PRTF is any non-hospital facility with a provider agreement with a State Medicaid Agency to provide the inpatient psych under 21 benefit. PRTFs provide services under the direction of a physician. According to CMS, A PRTF provides comprehensive mental health treatment to children and adolescents (youth) who, due to mental illness, substance abuse, or severe emotional disturbance, need treatment that can most effectively be provided in a residential treatment facility. All other ambulatory care resources available in the community must have been identified, and if not accessed, determined not to meet the immediate treatment needs of the youth. PRTF programs are designed to offer a short term, intense, focused mental health treatment program to promote a successful return of the youth to the community. Specific outcomes of the mental health services include the youth returning to the family or to another less restrictive community living situation as soon as clinically possible and when treatment in a PRTF is no longer medically necessary. The residential treatment facility is expected to work actively with the family, other agencies, and the community to offer strengths-based, culturally competent, medically appropriate treatment designed to meet the individual needs of the youth including those identified with emotional and behavioral issues.

SECTION 2 – Common Terms

Behavior Treatment Plan (BTP) A behavior treatment plan, where needed, is developed through the person-centered planning process that involves the beneficiary. The person-centered planning process should determine whether a comprehensive assessment should be done to rule out any physical or environmental cause for the behavior. Any behavior treatment plan that proposes aversive, restrictive, or intrusive techniques, or psycho-active medications for behavior control purposes and where the target behavior is not due to an active

substantiated psychotic process, must be reviewed and approved by a specially constituted body comprised of at least three individuals, one of whom shall be a fully- or limited-licensed psychologist and one of whom shall be a licensed physician/psychiatrist. The psychologist or physician must be present during the review and approval process. At least one of the committee members shall not be the developer or implementer of the behavior treatment plan. The approved behavioral plan shall be based on a comprehensive assessment of the behavioral needs of the beneficiary. Any proposed aversive, intrusive, or restrictive technique not supported in current peer-reviewed psychological/psychiatric literature must be reviewed and approved by the Michigan Department of Health and Human Services (MDHHS) prior to implementing.

PRTF Certification – (CMS Certification of Need [CoN]) – As defined by CMS, CoN for services involves an assessment of medical necessity of this level of care. The CoN must be made by an independent team that includes a physician who has competence in diagnosis and treatment of mental illnesses, preferably child psychiatry, and has knowledge of the child’s situation. For emergency situations, the CoN must be made within 14 days of admission.

Individualized Plan of Service (IPOS) - The document that identifies the needs and goals of the individual beneficiary and the medical necessity, amount, duration, and scope of the services and supports to be provided. For beneficiaries receiving mental health or developmental disabilities services, the individual plan of services must be developed through a person-centered planning process. In the case of minors with developmental disabilities, serious emotional disturbance or mental illness, the child and his family are the focus of service planning, and family members are an integral part of the planning process.

Person Centered Planning - A process for planning and supporting the individual (and family for children) receiving services that builds upon the individual’s (and families for children) capacity to engage in activities that promote community life and honors the individual’s preferences, choices, and abilities. (MHC 330.1700[g]) - See also: MDHHS Person-Centered Planning Practice Guideline.

Psychiatric Residential Treatment Facility (PRTF) – A non-hospital facility with a provider agreement with Michigan Medicaid to provide the inpatient services benefit, consistent with CMS and MDHHS standards, to Medicaid-eligible individuals under the age of 21 years.

Section 3 - Provider Certification Criteria

Per state law, PRTFs must meet certain requirements to participate. Those entities requesting enrollment as a PRTF provider must meet the requirements and selection criteria to be eligible to provide PRTF services as reimbursed by the Michigan Medicaid program. The requirements include, but may not be limited to:

- (a) Compliance with 42 CFR Part 441.151-441.182.
- (b) Compliance with all applicable federal, state, and local emergency preparedness requirements as outlined in 42 CFR 441.184.
- (c) Licensed as a CCI by Division of Child Welfare Licensing, Michigan Department of Health and Human Services.

- (d) For those facilities serving individuals aged 18 and over, licensed as Adult Foster Care by Michigan Department of Licensing and Regulatory Affairs.
- (e) Certification by MDHHS.
- (f) Accreditation by the Joint Commission, Commission on Accreditation of Rehabilitation Facilities, or Council on Accreditation of Services for Families and Children.
- (g) Enrollment in the Community Health Automated Medicaid Processing System (CHAMPS).

SECTION 4 – Eligibility

Medicaid-enrolled children and youth whose intensity of behavioral health needs necessitates an inpatient level of treatment without the need for the safety, security, and monitoring of an inpatient psychiatric hospital will be eligible for services in a PRTF.

Eligibility requirements are:

- Under the age of 21 upon admission. Services may continue until the youth meets criteria for discharge or reaches 22 years of age, whichever comes first. If the individual turns 22 while in a PRTF, payment ends the day prior to the 22nd birthday.
- Establishment of medical necessity through comprehensive evaluation and assessment, and the Child and Adolescent Needs Assessment. Clinical documentation and justification indicate treatment level is inpatient and cannot be provided through home and community-based services.
- Have a primary mental health diagnosis as defined in the most recent edition of the Diagnostic and Statistical Manual for Mental Disorders.
- Have a severe functional impairment.
- Evidence of difficulty functioning safely and successfully in the community, school, or home due to their mental health needs and functional impairment.
- Require an inpatient level of psychiatric treatment which is beyond the reasonable duration of an acute care hospital to improve the youth's condition or prevent further regression without necessitating the safety, security, and monitoring of an inpatient hospital.

SECTION 5 – Service Authorization

MDHHS will manage certification and enrollment of PRTF providers, issue payment for services to Medicaid beneficiaries served, and monitor the quality and performance of the PRTF providers. The MDHHS will, when appropriate, authorize admissions to PRTF services, particularly when the individual is currently in a state operated inpatient facility.

The Prepaid Inpatient Health Plan (PIHP) is responsible for managing Medicaid mental health services for all Medicaid beneficiaries residing within the service area covered by the PIHP. This includes the responsibility for timely screening, referral, and certification of requests for admission to, PRTF services, defined as follows:

- Screening means the PIHP has been notified of the youth and has been provided enough information to support a referral to a PRTF based on the admission criteria

established below. The screening may be provided on-site, face-to-face by PIHP personnel, the telephone, or via a video conferencing platform.

- Certification means that the PIHP has screened the youth and has documented that the services requested seem appropriate. Telephone screening must be followed up by the written certification.
- All PRTF service authorizations will be made by MDHHS. The PIHP should make referrals when appropriate and will be actively involved in treatment planning/monitoring meetings, discharge planning and transition to the community.

PIHP Responsibilities

- Receive and process requests for PRTF admissions when coming from individuals not currently in a state hospital.
- Review to determine that all admission requests/referrals for individuals not currently in a state hospital meet medical necessity criteria and are complete and justified.
- Work with the local MDHHS office to determine Medicaid eligibility and secure enrollment for individuals who meet PRTF eligibility criteria but who are not currently a Medicaid beneficiary. (Refer to the Beneficiary Eligibility chapter of the MDHHS Medicaid Provider Manual for more information).
- Provision of notice regarding rights to a second opinion in the case of denials.
- If coverage of a PRTF is not appropriate, provision of, or referral to and linkage with, alternative services, when appropriate.
- Communication with the treating and/or referring provider such as a Community Mental Health Services Program (CMHSP) or State of Michigan Hospital and ensuring PRTF communication with the family and, as applicable, custodial agency.
- Facilitate coordination with the primary care physician.
- Planning in conjunction with the youth, family, custodial agency (as applicable), PRTF and CMHSP and, if necessary, state hospital personnel, for the beneficiary's after-care services.

Referring Provider Responsibilities

The requesting provider/entity making the referral must do the following to request PRTF admission for a beneficiary:

- Coordinate with the PIHP to complete the Eligibility for Admission form (to be created).
- Child and family team meeting with all involved parties must be completed prior to making a formal referral for PRTF care to clearly identify:
 - Child's needs that can't currently be met in the community
 - The expected living situation for the youth after discharge from the PRTF
 - The child and family team members
 - CMHSP services which will be active during child's stay focused on building aftercare support networks in child's home and the community
- IPOS specifying PRTF service and concurrent community-based services
- Updated diagnostic assessment completed by an appropriately credentialed professional.

PRTF Responsibilities

The PRTF must submit a child's IPOS to MDHHS and the PIHP/CMHSP no later than 10 calendar days after admission. The IPOS should include a tentative discharge plan and a request for anticipated dates beyond the initial 30 days. The IPOS must meet the following criteria:

- Must be based on a diagnostic evaluation that includes examination of the medical, psychological, social, behavioral, and developmental aspects of the member's and member's family situation and reflects the need for inpatient psychiatric care.
- Must include an integrated program of therapies, activities and experiences designed to meet treatment goals.
- May include other services that are provided under arrangement by licensed professionals who are not part of the treatment team as well as educational services, recreation and socialization, and family engagement and visitation.
- Must include discharge plans for aftercare services and coordination to ensure continuity of care with the child's family, school, and community upon discharge.
- The PRTF provider will enter all admissions and discharges into CHAMPS.

5.1 Admissions

Request for PRTF admissions will be submitted by PIHP/CMHSPs or other qualifying providers/entities, to MDHHS for authorization. State inpatient facilities will submit request for PRTF admissions to MDHHS. Requesting/referring providers will use the PRTF Eligibility for Admission Form (to be created).

- The MDHHS will make authorization and approval decisions for PRTF services according to guidelines established by MDHHS cited in 4.2 below. All admission and continuing stay responsibilities and procedures must be conducted in accordance with the terms of the contract between the contracting entity and MDHHS. MDHHS will monitor and audit all enrollments as necessary and appropriate.
- While MDHHS is paying for PRTF services, MDHHS will review and approve/deny authorization for PRTF services according to guidelines established by MDHHS cited in 4.2 below. All admission and continuing stay responsibilities and procedures must be conducted in accordance medical necessity and need criteria and will be communicated to the PIHP.

5.2 PRTF Admission Guidelines

Michigan PRTFs must adhere to the following admission guidelines:

- Admission and the first five days of treatment are authorized by the MDHHS with the PRTF Eligibility for Admission Form (to be created); continued admission beyond the first five days must follow Continued Stay Authorization Requirements
- Certification of need for care: A physician, physician assistant, or nurse practitioner, acting within the scope of practice as defined by state law, must verify a member's need

for continued stay at an inpatient hospital level of care. The initial certification, meeting the requirements stated below, consists of the admitting provider's written order and plan of care documented in the medical record.

- Information about general appeals procedures is described in the MDHHS PIHP Contract.
- A provider's signature is required on the IPOS for initial admissions and continued stay reviews to certify and/or recertify the need for care at a PRTF.
- PRTF must have appropriate medical clearance documented in the individual's record.

Certification of Need

A Certification of Need for PRTF must be completed by a referring provider with an independent, multi-disciplinary treatment team and submitted to MDHHS for review and approval. The treatment team, as specified below must certify that:

- Ambulatory care resources available in the community do not meet the treatment needs of the individual.
- Proper treatment of the individual's psychiatric condition required services on an inpatient basis under the direction of a physician, and
- The services can reasonably be expected to improve the individual's condition or prevent further regression so that the services will no longer be needed.

The certification specified satisfies the utilization control requirement for physician certification.

Team certifying need for services must include:

- A Physician, competent in diagnosis and treatment of mental illness, preferably in child psychiatry, psychologist, physician assistant or psychiatric nurse practitioner and knowledgeable of the individual's situation.
- For emergency admissions, the certification must be made by the team responsible for the plan of care within 14 days of admission.

5.3 Appeals

MDHHS will make authorization and approval decisions for PRTF services according to guidelines established by MDHHS and appearing in this chapter. If a youth or their legal representative disagrees with a decision related to admission authorization/approval or approved days of care, they may request a reconsideration and second opinion from MDHHS. If MDHHS's initial decision is upheld, the beneficiary has further redress through the Medicaid fair hearing process. Medicaid beneficiaries can request the Medicaid fair hearing after receiving notice that MDHHS is, after appeal, upholding an Adverse Benefit Determination, or when MDHHS fails to adhere to the notice and timing requirements for resolution of Grievances and Appeals, as described in federal regulation (42 CFR 438.408. 42 CFR 438.408[f][1][i]).

5.4 Continued Stay Authorization Requirements

MDHHS must review the IPOS every 30 days to determine continued medical necessity for treatment and to authorize an additional 30 days of treatment. This includes verification that a child continues to meet criteria for PRTF services and requires continued PRTF services. It also requires an assurance that the child and family is making progress towards treatment goals, discharge, and successful transition into a home and community-based setting. Specifically, the following is required for continued stay authorization:

- The PRTF must submit an updated IPOS before the 30th day of the last authorized date of service.
- The PRTF must submit an updated authorization request when the IPOS changes.
- The PRTF must submit an updated IPOS when the provider does any of the following:
 - Requests additional days beyond the initial 30 days of treatment.
 - Adds or changes arranged services to the IPOS that require authorization.
 - Adds or changes concurrent services to the IPOS as part of the discharge plan.
 - Adds or changes therapeutic leave days.

SECTION 6 - Discharge Planning

Discharge planning must begin at the onset of treatment in the inpatient unit. Comprehensive discharge planning is essential for individuals to successfully function in their community. Discharge Planning will include the youth and family, the treatment team and the PIHP. The following criteria must be met:

- Development of a transitional process specific to the youth for discharge to a less restrictive or family-based setting.
- IPOS that includes discharge plans for aftercare services and coordination to ensure continuity of care with the recipient's family, school, and community upon discharge, including referrals for treatment, opportunities for home visits, and inclusion of community-based treatment providers in team meetings.
- IPOS that includes a tentative discharge plan and a request for anticipated dates beyond the initial 30 days.

SECTION 7 - Provider Requirements

7.1 Environment of Care Provisions

A PRTF must provide a 24/7 structured therapeutic environment with individualized and intensive treatment based as delineated by a beneficiary's IPOS. A PRTF must:

- 1) Secure appropriately credentialed or trained staff. Positions must include, but are not limited to:
 - a) Medical Director who is an MD or a DO and Board Certified or Board Eligible
 - b) Direct Care Staff (required 24/7)
 - c) Registered Nurses
 - d) Psychiatrists

- e) Pediatrician, or a Family Physician, or an Internist
 - f) Behavior Analysts
 - g) Social Workers
 - h) Occupational or Recreational Therapists
 - i) Necessary staff to ensure quality nutrition and well-balanced food that meets the dietary requirements of the youth; housekeeping and maintenance staff; and administrative and business personnel to ensure all necessary reporting, documentation, communication, oversight, financial accountability, transportation, information technology, and emergency preparedness functions.
- 2) Other services that are required on an as-needed basis include but are not limited to:
 - a) Psychological testing
 - b) Speech therapy
 - c) Physical therapy
 - 3) Initiate meetings with potential placements identified by MDHHS or the PIHP if the youth will not be returning to their own home upon discharge from the PRTF.
 - 4) Provide individual treatment and therapeutic interventions daily.
 - 5) Provide crisis response and de-escalation training and support to staff and limit seclusion and restraint to physical management techniques only. Require debriefing with Medical Director and treatment team after a restraint.
 - 6) Provide educational services for youth within the community in coordination with the local school district. (Collaborate with the youth's local school district on amending IEP, hospitalized services – resource [Providing Homebound and Hospitalized Educational Services for Michigan Public School Pupils](#))
 - 7) Ensure that transportation is provided to address behavioral health, medical health, and educational services, and for services intended to accomplish goals of the youth's PCP IPOS.
 - 8) Work with the beneficiary's treatment team to develop a behavioral treatment plan (BTP), if appropriate.
 - 9) Propose and develop a transitional process specific to the beneficiary for discharge to a less restrictive or family-based setting. Develop a parent/guardian training plan into the plan of care.
 - 10) Meet with the beneficiary weekly to assess, plan, and deliver services. These meetings must include, but are not necessarily limited to:
 - a) The beneficiary.
 - b) The beneficiary's aftercare family/guardian.
 - c) The beneficiary's PRTF treatment team.
 - d) The CMHSP primary caseworker or clinician.
 - e) The beneficiary's child welfare worker or juvenile justice probation officer (if appropriate).
 - 11) Maintain the following related to care of a beneficiary:
 - a) Individualized services based on input from the beneficiary and their family.
 - b) Treatment at the program is beneficiary-guided and family-driven with the beneficiary voice incorporated.
 - c) Staff are trained in cultural competency and the treatment environment supports diversity and equity.

- d) Treatment that is strength and resiliency-based and trauma-responsive with a focus on skill building and supporting the youth and family to meet their needs in their own home and community.
 - e) Comprehensive care that provides for family engagement with partnerships to support sustained, successful outcomes for the beneficiary with their families and the community following treatment.
 - f) Standardized behavioral approaches to prevent predictable and continuing behaviors that place the beneficiaries or others at risk of harm.
 - g) Treatment plans and interventions that can be integrated into the beneficiary's natural environment and based on real world approaches.
 - h) Collect and report on data regarding measures to assess outcomes and improve treatment, care, and services. Data must include but is not limited to youth and family satisfaction, length of stay, active treatment, and restrictive interventions. Data must be reported at least quarterly, and more frequently if required by MDHHS based on identified need or developing trends.
 - i) Ensure metabolic monitoring for youth on psychotropic medications.
 - j) Ensure and actively monitor for appropriate use of psychotropic medications, including attention to reducing polypharmacy use and reducing the use of psychotropic medications to treat sleep disturbances.
- 12) Abide by any additional terms and conditions of the RFP and the completed contract with MDHHS.

7.2 Reimbursement

Established rates are per diem and include all services provided to the beneficiary by the PRTF provider. Rates are tiered to reflect the severity of the treatment services and staffing ratios. Adjustments to the tiered rate authorized will be based on the youth's needs as determined in regular treatment planning and review meetings. Specific criteria and processes for review are found in the program specific operating procedures.

The per diem rate includes, but may not be limited to:

- 1) Personal care and community living supports.
- 2) Psychiatry.
- 3) Group and individual behavioral health therapy.
- 4) Case management.
- 5) Behavior treatment plan development, implementation, and monitoring.
- 6) Room and board.
- 7) All transportation services. This includes transportation to accomplish PRTF treatment goals, education, and non-emergency non-ambulance medical transportation.

Billing and reimbursement for professional or institutional services not rendered within the context of a beneficiary's treatment goals within a PRTF (e.g., physician, vision, or dental services) must be billed according to requirements of the MDHHS Medicaid Provider Manual. (Refer to the applicable chapter for more information.) Professional or institutional services required by a beneficiary are covered by Medicaid if they are billed and provided in accordance with the MDHHS Medicaid Provider Manual and requisite policy.

7.3 Education and Training of Staff¹

The facility must require staff to have ongoing education, training, and education activities in the required areas outlined below. The facility must identify and provide for the training needs of staff based upon their responsibilities to include direct care staff as well as administrative, clerical, and housekeeping staff. The facility must review documentation in staff files to verify that the training is occurring and provide MDHHS with an annual report.

- Techniques to identify staff and resident behaviors, events, and environmental factors that may trigger emergency safety situations.
- The use of nonphysical intervention skills, such as de-escalation, mediation conflict resolution, active listening, and verbal and observational methods, to prevent emergency safety situations.
- The safe use of physical restraint (mechanical and chemical restraint not allowed) and the safe use of seclusion, including the ability to recognize and respond to signs of physical distress in residents who are restrained or in seclusion.
- Certification in the use of cardiopulmonary resuscitation, including periodic recertification, is required.
- Trainings must be conducted by individuals who are qualified by education, training, and experience.
- Staff training must include training exercises in which staff members successfully demonstrate in practice the techniques they have learned for managing emergency safety situations.
- Staff must be trained and demonstrate competency before participating in an emergency safety intervention.
- Staff must demonstrate their competencies as specified in 42 CFR 483.376(b) on an annual basis.
- The facility must document in the staff personnel records that the training and demonstration of competency were successfully completed. Documentation must include the date training was completed and the name of persons certifying the completion of training; and
- All training programs and materials used by the facility must be available for review by CMS, the State Medicaid agency, and the State survey agency.

SECTION 8 - Coverage for Out of State Services

When feasible, the beneficiary will receive services in the geographically closest PRTF to the individual's home community. There may be instances when a PIHP/MDHHS is responsible for a youth that has been admitted to a PRTF out-of-state. In these cases, MDHHS is responsible, in consultation with the PIHP, for authorizing admission and/or continuing stay. MDHHS will contract with, and issue payment to the out of state provider.

Out-of-state PRTF services will be covered in the same manner as EPSDT benefits, consistent with the MDHHS Medicaid Provider Manual.

¹ https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/som107ap_n_prtf.pdf

Public Comment

The public comment portion of the policy promulgation process is being conducted concurrently with the implementation of the change noted in this bulletin. Any interested party wishing to comment on the change may do so by submitting comments to Kristen Jordan at JordanK4@michigan.gov.

Please include "Psychiatric Residential Treatment Facilities" in the subject line.

Comments received will be considered for revisions to the change implemented by this bulletin.

Manual Maintenance

Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved



Meghan E. Groen, Director
Behavioral and Physical Health and Aging Services Administration