

NOVEMBER 2021

## KMAP STATE MENTAL HOSPITAL BULLETIN 20260

# Criteria Coverage for State Institution Alternative

To expand inpatient psychiatric treatment beyond the sole use of the State Mental Health Hospitals (SMHHs), the Kansas Department for Aging and Disability Services (KDADS) will contract with existing facilities providing inpatient psychiatric treatment. These facilities will function as a State Institutional Alternative (SIA).

**Effective with dates of service on or after April 3, 2020, the following criteria will be effective:**

### Criteria Coverage

It is expected that most Medicaid members that are found eligible for SIA coverage are found eligible at the outset of admission on either a voluntary or involuntary status. The eligibility determination is made by a Community Mental Health Centers (CMHC) Qualified Mental Health Professional (QMHP) utilizing the screening process established for SMHH admissions.

In some limited cases, a Medicaid eligible patient may be directly admitted to a Private Psychiatric Hospital (PPH) under the usual admission process as a voluntary patient, then later switch to SIA coverage. In this situation, after criteria has been met by the QMHP screening, an SIA-designated PPH may switch from billing under the Diagnostic Related Grouping (DRG) to billing under the SIA provider ID number for the contracted per diem rate. In some limited cases, an individual may become covered by a Managed Care Organization (MCO) while in a SIA Hospital due to the completion of an application for appropriate medical coverage such as Medicaid or CHIP.

These guidelines are intended to help determine when an individual member may switch from DRG billing to SIA billing under the SIA program while remaining in the same facility. This change in billing would be reserved for patients that would otherwise be admitted to a state hospital.

### The following applies to SIA-designated patients:

The KDADS screening process for state hospital admission will be completed and reimbursed by KDADS upon SIA referral during a current psychiatric hospitalization. The member would not be considered eligible for SIA billing until the patient is determined as eligible by a QMHP

#### KMAP

[Kansas Medical Assistance Program](#)

- [Bulletins](#)
- [Manuals](#)
- [Forms](#)

#### Customer Service

- 1-800-933-6593
- 7:30 a.m. - 5:30 p.m.  
Monday - Friday



## Criteria Coverage for State Institution Alternative continued

utilizing the screening process established for SMHH admissions. SIA will submit a completed Mental Health Screening Form as a notification to the assigned MCO of the member meeting criteria for SIA within one business day of admission. With an approval for an SIA stay, the MCO is responsible for reimbursement.

### **The following applies to psychiatric care for children ages 21 and under:**

In the event a child/youth is assigned to an MCO and is refused or denied admission at the closest private psychiatric hospital, a referral for an SIA evaluation will be made. Examples of denial reasons may be due to, but not limited to, the following examples: diagnosis, level of acuity, criminal charges, history of violent or sexual behaviors, or availability of beds based upon the age or gender of the patient. At that time, the patient should be admitted to the closest available SIA contracted hospital and would not be subject to the DRG rate at time of initial admission.

### **Billing and Reimbursement:**

Each KDADS approved SIA will need to enroll separately for the Provider Type/Specialty of a State Mental Health Hospital (01/019), with a unique National Provider ID (NPI), when written confirmation is received from KDADS of their status as an approved SIA. Applications from providers requesting enrollment as an SIA (01/019) submitted with an NPI that is tied to an existing Kansas Medical Assistance Program/Kansas Modular Medicaid System (KMAP/KMMS) provider ID will be returned to the provider and can be resubmitted once a unique NPI has been obtained by the provider.

Reimbursement for SIA services will be limited to members with a valid Level of Care (LOC). Members with an LOC on file have been determined to meet all requirements for SIA reimbursement and the LOC must correspond to the SIA providing the service for the requested dates of service. SIA services provided for members who have not been authorized through a LOC will not be reimbursed.

Each SIA will be paid as noted below when billing using their SMHH provider number and utilizing the UB04 Claim Form or institutional electronic format. Reimbursement for inpatient services in an SIA shall be based upon the lesser of reasonable costs or customary charges for covered services rendered to eligible individuals. These costs shall include Medicare allowable costs, including but not limited to, malpractice, capital, physician services, and education as allowed under federal law.

### **KMAP**

#### [Kansas Medical Assistance Program](#)

- [Bulletins](#)
- [Manuals](#)
- [Forms](#)

#### Customer Service

- 1-800-933-6593
- 7:30 a.m. - 5:30 p.m.  
Monday - Friday



## Criteria Coverage for State Institution Alternative continued

Reimbursement will be based on the provider specific rate on file, which will be an all-inclusive rate, regardless of the billed amount. SIAs shall bill only the remaining charges after third party payment. SIAs are subject to editing for Third Party Liability (TPL) cost avoidance. Services provided to a member that are non-covered by Medicaid will be directly billed to the member/family if the member/family has been notified in advance and signed an Advance Beneficiary Notification documenting notification of this patient responsibility. Non-covered services are not to be included on claims submitted to the MCOs.

SIA services will be exempt from MCO pre-admission assessment and utilization review; however, the SIA will be required to have on file the qualified screen by a QMHP indicating the member has met criteria for use of the SIA contracted bed. SIAs will be required to submit the qualified screen by QMHP to MCO twice for each admission within one business day of member admission and with the SIA claim.

SIA services in a facility designated as an Institution of Mental Diseases (IMD) will continue to be non-covered for members under age 65 and over age 21 (unless admission occurs prior to the 21<sup>st</sup> birthday) until an IMD exclusion waiver is granted by the Centers for Medicare and Medicaid Services (CMS) and should not be billed to the MCO. In the event an SIA is not categorized as an IMD, services will be covered by the MCO for all MCO-assigned Medicaid members, regardless of age. SIAs are required to submit form MS-2126 to the KDHE Clearing House twice for each admission: within five days of admission and within five days of discharge.

SIA charges are to be considered exempt from medical necessity MCO reviews for determination of a payment reduction or denial. MCOs may conduct reviews for purposes of coordinating care, determination of continued stay, and participation in the discharge planning process. Surveillance and Utilization Review (SUR) will likewise not be applicable to SIA-designated members. Documentation that criteria has been met for SIA placement by the State is to be kept on file and available for external review.

All non-psychiatric related claims for Medicaid eligible members residing in an SIA, shall be processed for payment from enrolled Medicaid providers.

**Note:** The effective date of the policy is April 3, 2020.

The implementation of State policy by the KanCare Managed Care Organizations (MCOs) may vary from the date noted in the Kansas Medical Assistance Program (KMAP) bulletins. The **KanCare Open Claims Resolution Log** on the KMAP [Bulletins](#) page documents the MCO system status for policy implementation and any associated reprocessing completion dates once the policy is implemented.

### KMAP

[Kansas Medical Assistance Program](#)

- [Bulletins](#)
- [Manuals](#)
- [Forms](#)

### Customer Service

- 1-800-933-6593
- 7:30 a.m. - 5:30 p.m.  
Monday - Friday