

**Policy terminated because coverage is provided under equivalent Medicaid
Policy 8D-1, Psychiatric Residential Treatment Facilities for Children under
the Age of 21**

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1.0 Description of the Procedure, Product, or Service

Psychiatric residential treatment is facility-based care provided 24 hours a day, 7 days per week, for mentally ill children and adolescents, age 17 and younger, through a structured, safe, therapeutic environment. Treatment in a Residential Treatment Center (RTC) is less restrictive than inpatient treatment and more restrictive than partial hospitalization or outpatient treatment.

Residential Treatment Centers provide active psychiatric treatment of children and adolescents in a controlled environment requiring at least weekly physician visits. Specialized programming must be developed and implemented by appropriately credentialed mental health professionals, with adequate licensed professionals to insure that psychotherapy is available for individuals, families, and groups. RTCs must be staffed by on-site registered nurses 24 hours per day.

A comprehensive assessment and multi-disciplinary treatment plan, developed at the direction of the attending or consulting psychiatrist within seven (7) calendar days of admission. Treatment plans must be multi-modal and individualized, reflecting frequent reviews and updates, and based on the recipient's most current clinical presentation and response to treatment. Treatment plans must address the substance abuse components of any dually diagnosed recipient. The therapies provided within a residential treatment center must reflect range of social, psychosocial, and rehabilitative interventions with therapeutic programming fully provided seven (7) days a week. Educational services must also be provided. Active family/significant other therapy is a key element of treatment and is required as an active, ongoing component of the treatment plan and delivered at a frequency which meets the therapeutic needs of the recipient and family, preferably face-to-face.

Discharge planning that begins upon admission with specific interventions to foster reintegration into home and community; or identify and arrange for other placement and/or follow-up treatment as may be appropriate – e.g., partial hospitalization, intensive outpatient programming, further outpatient treatment, etc.

2.0 Eligible Recipients

2.1 General Provisions

To be eligible, NCHC recipients must be enrolled on the date of service.

Note: Most children will be able to get all the services they need under the core (basic) plan of NC Health Choice. A child who qualifies as having special needs may be able to receive additional services not covered by the core plan.

3.0 When the Procedure, Product, or Service Is Covered

3.1 General Criteria

NCHC covers procedures, products, and services related to this policy when they are medically necessary and

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the recipient's needs;
- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available; **AND**
- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the recipient, the recipient's caretaker, or the provider.

3.2 Specific Criteria

Benefits are provided for psychiatric residential treatment facilities as follows:

- a. All benefits for psychiatric residential treatment are subject to case management requirements.
- b. Residential care is not covered unless all of the following conditions are met:
 1. the facility or program is licensed to provide psychiatric residential services in the state in which services are provided;
 2. the facility or program is staffed by registered nurses who are present on-site 24 hours per day; **AND**
 3. the facility or program has received accreditation by the Joint Commission on Accreditation of Healthcare Organizations (JCAHO), or by a national accrediting body approved and recognized by DMA's vendor.
 4. residential treatment must be the least intensive level of care to meet the therapeutic needs of the child/adolescent; it is expected that residential treatment of the child/adolescent is generally subsequent to adequate and appropriate treatment trials in alternative levels of care - e.g., outpatient, partial hospitalization, or inpatient settings.
- c. Failure to comply with the approval process may result in ineligibility for reimbursement. Refer to **Section 5.0**.
- d. When a child age 17 and younger has been approved by DMA's vendor for psychiatric RTC services, but continues to be treated within the RTC setting on and beyond his or her 18th birthday, allowable RTC services will continue to be covered for the current episode of care as long as medical necessity is determined by the DMA's vendor and the child continues to meet eligibility requirements under the NC Health Choice Program.

4.0 When the Procedure, Product, or Service Is Not Covered

4.1 General Criteria

Procedures, products, and services related to this policy are not covered when

- a. the recipient does not meet the eligibility requirements listed in **Section 2.0**;
- b. the recipient does not meet the medical necessity criteria listed in **Section 3.0**;
- c. the procedure, product, or service unnecessarily duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental or investigational.

4.2 Specific Criteria

Psychiatric residential treatment is not covered in the following situations:

- a. Residential care for conditions classified primarily as substance abuse or chemical dependency. Treatment of chemical dependency components of dually diagnosed recipients in psychiatric residential treatment centers must be consistent with the most current edition of the American Society of Addiction Medicine Patient Placement Criteria for the Treatment of Substance-Related Disorders.
- b. Wilderness camps, wilderness "step-down" components of a residential program, and stand-alone outdoor treatment programs or outdoor "step-down" components of a residential program are not covered unless all specifications in **Subsection 3.2** are met.
- c. Therapeutic boarding schools are not covered unless the program is licensed for psychiatric or chemical dependency, has registered nurses who are present on-site 24-hours per day, and holds current national accreditation by a national accrediting body approved by DMA's vendor which include the Joint Commission on the Accreditation of Healthcare Organizations, Commission on Accreditation of Rehabilitation Facilities, or the Council on Accreditation.

5.0 Requirements for and Limitations on Coverage

5.1 Prior Approval

- a. Prior approval is required for psychiatric residential treatment for adolescent psychiatric care. Approval by DMA's vendor is required prior to initiating treatment, for continued treatment stays AND for the following services if utilized during the residential stay:
 1. Biofeedback
 2. Electroconvulsive therapy
 3. Hypnotherapy
 4. Psychological testing

- b. The DMA's vendor will conduct a clinical review with the treating provider(s) to determine the medical necessity for the psychiatric residential treatment prior to admission. Upon request, the comprehensive assessment and treatment plan must be submitted by the seventh day of admission to DMA's vendor. Subsequent reviews will be conducted at least every 14 days to determine the medical necessity for continued stay.
- c. The rationale for admission must support medical necessity criteria.

6.0 Providers Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for procedures, products, and services related to this policy, providers shall

- a. meet NCHC qualifications for participation;
- b. be currently enrolled with NCHC; **AND**
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

7.0 Additional Requirements

7.1 Compliance

Providers must comply with all applicable federal, state, and local laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements.

8.0 Policy Implementation/Revision Information

Original Effective Date: July 1, 2010

Revision Information:

Date	Section Revised	Change
July 1, 2010	Throughout	Policy Conversion: Implementation of Session Law 2009-451, Section 10.32 "NC HEALTH CHOICE/PROCEDURES FOR CHANGING MEDICAL POLICY."
February 29, 2012	Throughout	Policy Termination

Attachment A: Claims-Related Information

Reimbursement requires compliance with all NCHC guidelines.

A. Claim Type

Professional (CMS-1500/837P transaction)

Institutional (UB-04/837I transaction)

B. Diagnosis Codes

Providers must bill the ICD-9-CM diagnosis codes(s) to the highest level of specificity that supports medical necessity.

C. Procedure Code(s)

Codes
1001
0101
1002
Codes will deny if prior approval has not been obtained

D. Modifiers

Providers are required to follow applicable modifier guidelines.

E. Billing Units

The appropriate procedure code(s) used determines the billing unit(s).

Professional fees for services by the attending psychiatrist or the co-admitting psychologist are allowed during any certified period when services are provided and claims submitted for separate days.

F. Place of Service

Inpatient Hospital

G. Co-payments

Co-payment(s) may apply to covered prescription drugs and services.

H. Reimbursement

Providers must bill their usual and customary charges.

Psychologists (or other behavioral health practitioners) may at times need to see the recipient in an inpatient setting who has been hospitalized under the care of an admitting psychiatrist. When it is necessary for the outpatient provider to see an inpatient to facilitate treatment or facilitate transition back to the outpatient setting, that provider may be reimbursed when prior authorization is obtained from the DMA's vendor.