



North Carolina Utilization Management Guideline for Medicaid

Subject: *Institute of Mental Disease (IMD)-In Lieu of Service*
Status: Active

Current Effective Date: July 1, 2021

Last Review Date: April 13, 2021

Description

This service provides 24-hour access to continuous intensive evaluation and treatment delivered in an Institute for Mental Disease (IMD) as defined in CFR 435.1010 for acute and subacute inpatient psychiatric or substance use disorders. Delivery of service is provided by nursing and medical professionals under the supervision of a psychiatrist. Beneficiaries age 21-64 who meet medical necessity criteria for inpatient level of care may be treated for up to 15 days per calendar month in an IMD.

Providers must follow the requirements for inpatient level of care outlined in the Division of Medical Assistance (DMA) Clinical Coverage Policy (CCP) 8-B, Inpatient Behavioral Health Services

Treatment Program Philosophy, Goals, and Objectives

A determination of the appropriate services is made by the care provider under the direction of the attending physician. This service focuses on reducing acute psychiatric and substance use symptoms through face-to-face, structured group and individual treatment. This service is designed to offer the following therapeutic interventions to address acute biomedical, emotional, behavioral and cognitive problems:

- Psychiatric and medical care
- Medication and withdrawal management
- Individual and group psychoeducational and psychotherapy
- Dual diagnosis treatment for comorbid psychiatric and substance use disorders
- Milieu treatment
- Supportive services
- Room and board



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Clinical Indications

Medically Necessary:

Admission and Continued Stay Criteria:

Providers of this service are required to use the admission, continued stay, and discharge criteria for Mental Health (MH) and Substance Use Disorder (SUD) for individuals age 21 through 64 as outlined in the following sections and attachments of the DMA CCP 8-B, Inpatient Behavioral Health Services:

- Section 3.2.5, Preadmission Review Criteria for Substance Use Disorders for Medicaid Beneficiaries Ages 21-64
- Section 3.2.6, Preadmission Review Criteria for Non-Substance Use Disorders for Medicaid Beneficiaries Ages 21-64
- Section 7.4, Preadmission Authorization and Continued Stay Review
- Attachment B, Section F, Entrance Criteria
- Attachment B, Section G, Continue Stay Criteria
- Attachment B, Section H, Discharge Criteria
- Attachment C, Section H, Entrance Criteria
- Attachment C, Section I, Continue Stay Criteria
- Attachment C, Section J, Discharge Criteria

Expected Outcomes

The establishment of stability to enable treatment in a less restrictive level of care.

Prior Approval Requirements

A service order must be completed by a physician, licensed psychologist, physician's assistant or nurse practitioner per their scope of practice prior to or on the first day of service.

Providers must contact the Prepaid Inpatient Health Plan (PIHP) for authorization of services within 48 working hours of admission. Authorization and documentation of review is required by the PIHP.



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- For beneficiaries with psychiatric disorders, initial authorization is limited to three days with continued stay review.
- For beneficiaries with substance use disorders, initial authorization is limited to seven days.

The PHIP must comply with the Centers for Medicare & Medicaid Services (CMS) requirements, ensuring that no more than 15 days are authorized in each calendar month. For admissions spanning two consecutive months, the total length of stay may exceed 15 days, but no more than 15 days must be authorized in each month.

Refer to the following sections and attachments in the DMA CCP 8-B Inpatient Behavioral Health Services:

- 5.0 Requirements for and Limitation on Coverage
- Attachment B, Section E, Utilization Management
- Attachment C, Section F, Utilization Management

Coding			
Procedure Code	Service Description	Rate	Billing Frequency
0160	Institute for Mental Disease (IMD)- Alternative Service Payment Arrangements		Daily

Unit of Service:

This service is reimbursed at a per diem rate based on occupancy on the inpatient unit during the midnight bed count. Physician and other professional time not included in the daily rate is billed separately.

Anticipated Units of Service per Person:

15 days or less per calendar month.

Targeted Length of Service:

15 days or less per calendar month.



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Discussion/General Information

Eligible Provider Information:

To be eligible to bill for this service, providers must meet all requirements outlined in the following sections and attachments in the DMA CCP 8-B Inpatient Behavioral Health Services:

- Section 6.0, Provider(s) Eligible to Bill for the Procedure, Product, or Service
- Section 6.1, Provider Qualifications
- Section 6.2, Provider Accreditation
- Attachment B, Section B, Provider Requirements
- Attachment B, Section D, Service Type and Setting
- Attachment C, Section B, Provider Requirements
- Attachment C, Section D, Service Type and Setting

Staffing Qualifications, Credentialing Process, and Levels of Supervision Administrative and Clinical) Required:

Refer to the following sections and attachments in the DMA CCP 8-B Inpatient Behavioral Health Services:

- Section 6.0, Provider(s) Eligible to Bill for the Procedure, Product, or Service
- Attachment B, Section C, Staffing Requirements
- Attachment C, Section C, Staffing Requirements

Documentation Requirements:

The provider must document a shift note for every eight hours of service provided. Refer to documentation requirements outlined in the following sections and attachments of the DMA CCP 8-B Inpatient Behavioral Health Services:

- Section 7.5, Documentation Requirements
- Attachment B, Section, J Documentation Requirements
- Attachment C, Section L, Documentation Requirements



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Definitions

Institute for Mental Disease (IMD)-means 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. Whether an institution is an institution for mental diseases is determined by its overall character as that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases, whether or not it is licensed as such. An institution for Individuals with Intellectual Disabilities is not an institution for mental diseases. (42 CFR 435.1010)

Acronyms

ASAM: American Society of Addiction Medicine
DSM: Diagnostic and Statistical Manual of Mental Disorder
ICD: International Classification of Diseases
IMD: Institute for Mental Disease
JCAHO: Joint Council Accreditation of Hospital Organizations
NC DHHS: North Carolina Department of Health and Human Services

References

Government Agency, Medical Society, and Other Authoritative Publications:

1. [Code of Federal Regulations](#), Title 42 Public Health, Chapter IV. Centers for Medicare and Medicaid Services, Department of Health and Human Services, Subchapter C. Medical Assistance Program, Part 435, Subpart K, Subjgrp 73, Section 435.1010-Definitions relating to institutional status. Accessed on April 13, 2021.
2. [North Carolina Medicaid Inpatient](#) Behavioral Health Services, Clinical Coverage Policy No. 8-B, Amended Date: October 1, 2020. Accessed on April 13, 2021.
3. [North Carolina Department](#) of Health and Human Services (NC DHHS) Family and Children's Manual, Section MA-3360, Living Arrangement (Revised 11/2/2020). Accessed on April 13, 2021.



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Websites for Additional Information

1. North Carolina Department of Health and Human Services.
<https://www.ncdhhs.gov>. Accessed on April 13, 2021.
2. Substance Abuse and Mental Health Services Administration.
<https://www.samhsa.gov/>. Accessed on April 13, 2021.

History

Status	Date	Action
Draft	4/13/2021	Revised
Approved	4/22/2021	Approved at Medial Operation Committee (MOC)