**PRESENTATION TO THE NORTH CAROLING**
**BLUE RIBBON COMMISSION**
**SUBCOMITTEE ADULT CARE HOME ALTERNATIVES**

**SEPTEMBER 12, 2012**

Sandy Terrell
Assistant Director Clinical Policy & Programs
Division of Medical Assistance
Department of Health and Human Services

## INSTITUTES OF MENTAL DISEASE (IMD)
## 42 CFR 435.1010

"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 IMD is determined by its overall character as that of a facility established and maintained primarily for the care and treatment …whether or not it is licensed as such.

• Treatment of persons with intellectual or other developmental disabilities (IDD) does not make a facility an IMD.

• CMS provides guidance to States in the State Medicaid Manual, "Section 4390, Institutions for Mental Diseases"
– Over 16 beds
– Current need of more than 50% of ALL patients in the facility resulted from mental disease
– Licensed as psychiatric facility
– Accredited as psychiatric facility
– The facility is under the jurisdiction of the mental health authority
(does not apply if not providing "mental health" services)
– Specializes in providing psychiatric/psychological care and treatment.
(Attained through record reviews, staff trained in psychiatric or psychological interventions/services or that a large portion is receiving medications for mental diseases.)

• The State Medicaid Agency (SMA) makes the determination – the final determination may not be delegated to another entity or vendor. Vendors may gather information and make the recommendation but only the SMA may make the final determination.

## SHARED OWNERSHIP (Multiple Components)

42 CFR 435.1010 defines institution –
"an establishment that furnishes (in single or multiple facilities) food, shelter and some treatment or services to four or more persons unrelated to the proprietor" Multiple facilities under the same ownership which together have more than 16 beds may constitute one entity for IMD purposes according to CMS

CMS State Medicaid Manual, Section 4390, and Office of Inspector General (OIG) guidance require States to review all related facilities and to consider the factors to the overall bed size and % of people being served

**•If there are multiple components**

(1) Are all components controlled by one owner or governing body?
(2) Is one chief medical officer responsible for the medical activities?
(3) Does one chief executive officer control all the administrative activities in all the components?
(4) Are the components licensed separately?
(5) Are the components so organizationally and geographically separate that it is not feasible to operate as single entity?
(6) If two or more of the components are participating under the same provider category, can each meet the conditions of participation independently?

North Carolina provides additional questions to determine shared ownership
(7) Do the facilities have shared policies and procedures?
(8) Do the facilities share administrative functions such as payroll, food services, maintenance?
(9) Do the facilities share clinical services such as itinerant nurses or other health professionals or contractors?
(10) Do the facilities share any administrative functions other than payroll and human resources, such as lawn maintenance, laundry, facility maintenance or shared cafeteria and or food service?
(11) Who is the final authority for decision-making?

## GROUP HOMES

North Carolina requested CMS to consider 122c Group Homes from Phase II IMD determination. To date, these group homes are in Phase II data set unless CMS response is received with additional guidance.

**PROCESS FOR ASSESSMENT, AT RISK, AND IMD DETERMINATIONS**

- **Screening methodology to determine if the agency is subject to IMD Review:**
  - Residential Settings licensed as an Adult Care Home, Family Care Home or Supervised Living Facility billing PCS services with more than 16 beds
  - Using 6 months paid claims by any provider who billed Medicaid that has a MH/SA diagnosis on the claim for a recipient living in the facility
  - Using 1 month within the above data period, identify number of unduplicated recipients who live in the facility
  - Run the above data using EIN number to determine if any other facilities use the same EIN. If yes, then the facility will be reviewed under the shared ownership methodology.
  - DMA staff will conduct phone interviews with the owner(s). DMA determines if facilities are shared or single facilities.
  - IMD determination is based on the total number of recipients in the shared facilities

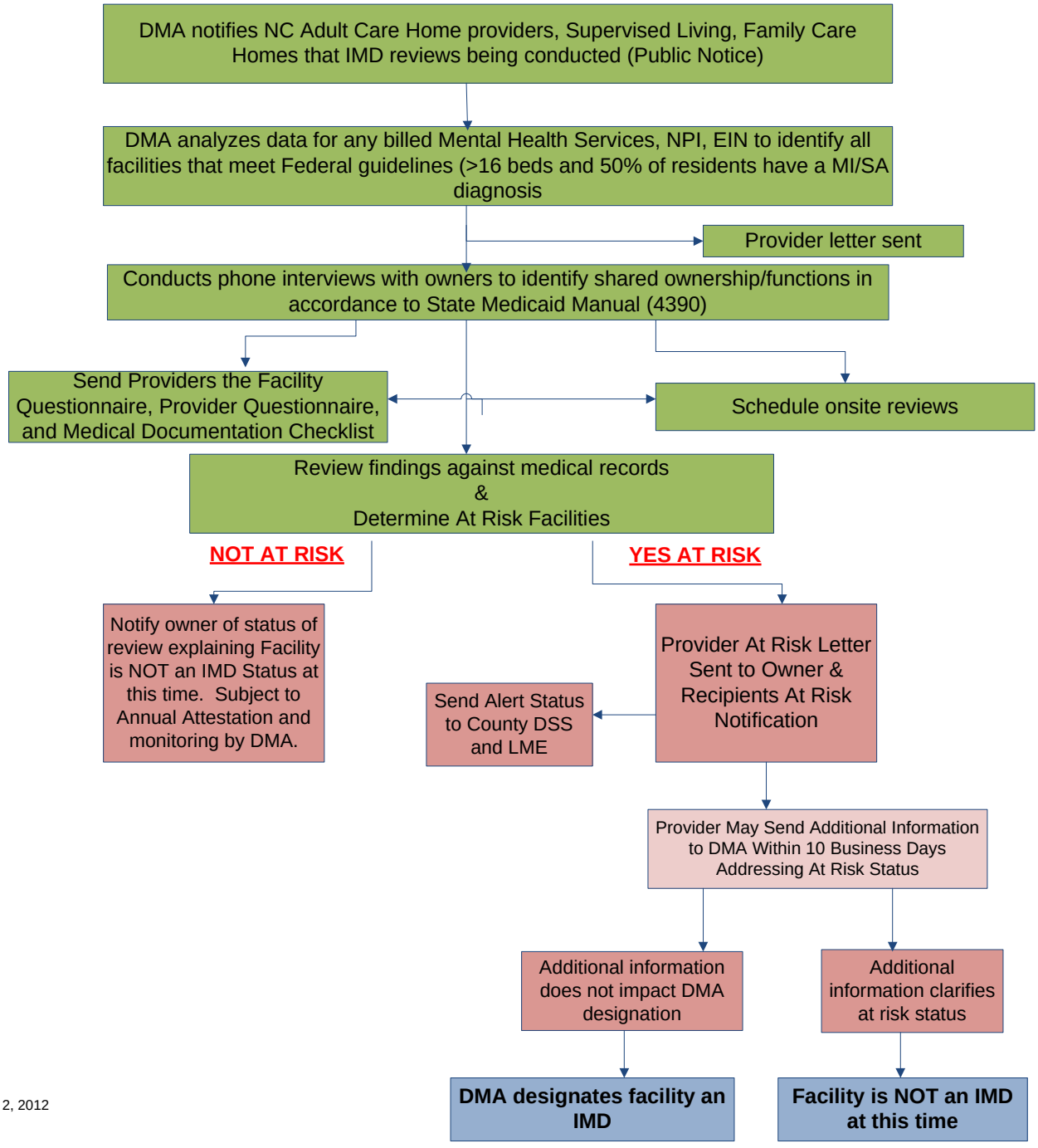
- **Analysis of Data from screening methodology**
  - Any recipient with at least one claim in 6 month period with MH/SA diagnosis
  - Calculate the > 50% by numerator (MH/SA diagnosis) by the denominator (number of unduplicated recipients)

- **Final IMD Determination**

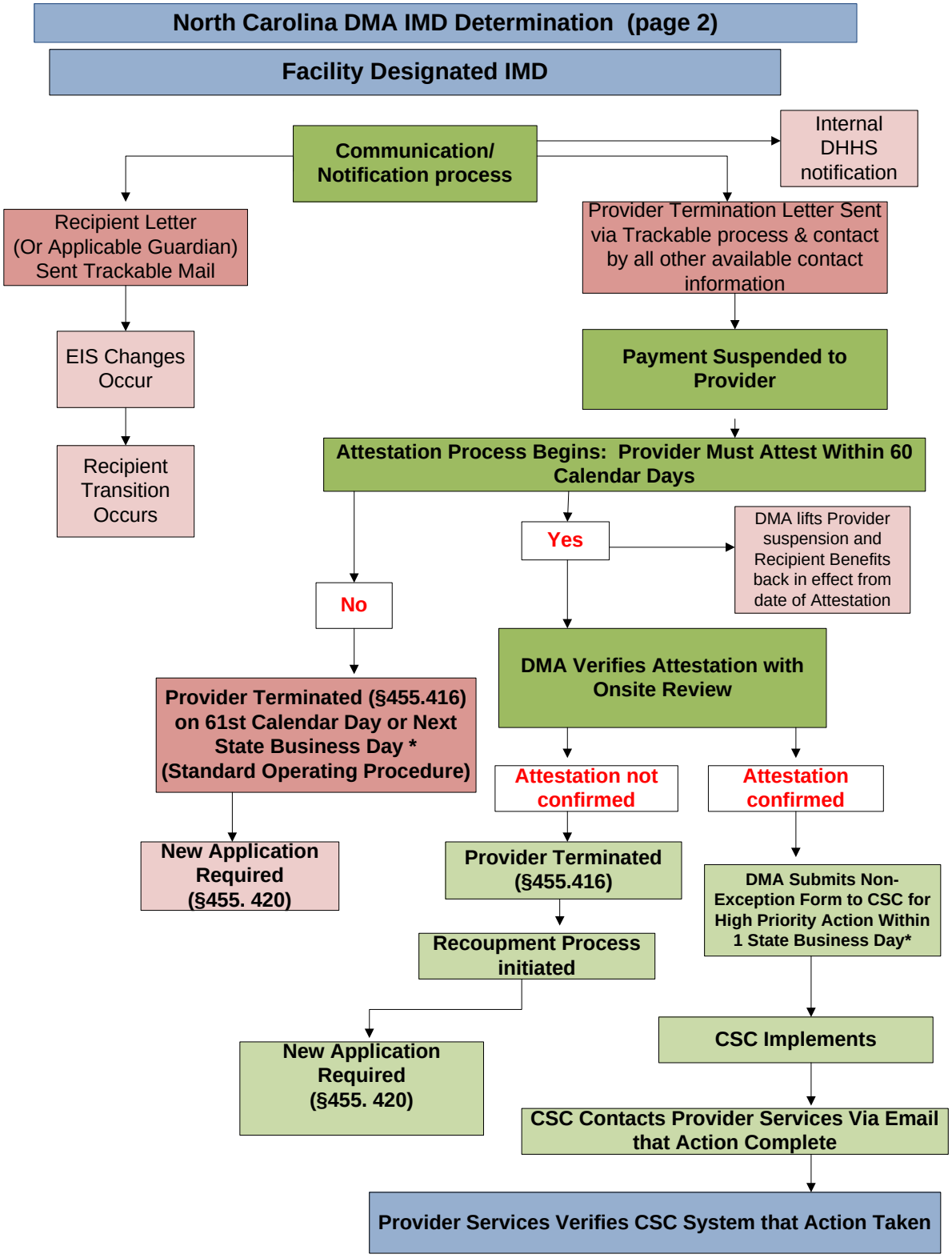
DMA received modified instructions from CMS that occupied beds MUST be used to make the final IMD determination. DMA conducts an onsite review of facilities who are "screened in" for over 16 beds and > than 50% using above methodology. DMA plans conduct an onsite review within 1-2 weeks

  - On the date of onsite review, DMA request a census count of beneficiaries in the facility as of midnight on the review date.
  - Onsite review completed and data are returned to DMA. A panel reviews the data within a week and makes a determination of at risk. The panel consists of health care processionals including a Physician, and a Psychiatrist.
  - If facility is deemed At Risk, provider and recipients notifications are sent within a week.
  - Providers may send additional information on recipients and facility characteristics within 10 business days. DMA panel reviews all additional information within a week.
  - IMD determination made (*). Provider and recipient notifications sent out with an effective date within 10 business days. Provider must attest within 60 days to DMA that the facility is not an IMD. (*) Numerator: Number of MH/SA recipients with primary diagnosis and determined to be the primary reason for living in facility at time of onsite review. Denominator: All recipients in facility at time of review

# North Carolina DMA IMD Determination




July 2, 2012






*Unless Business Continiuity Is Interrupted