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| Subject: PSYCHIATRIC HOSPITALIZATION PAYMENTS, AUTHORIZATIONS AND MEDICAL NECESSITY CRITERIA | Policy No.: MHP 27.00 | Original Issue Date: 10-01-03 | Revision Dates: 2-17-04, 8-22-07, 10-20-09, 8-23-12, 11-20-14, 11-20-14, 09-25-15, 10-16-18, 11-08-18 |
| Approved by BHS Director: Signature on File | Supersedes: | Review Dates: 2-17-04, 8-22-07, 10-20-09, 8-23-12, 11-20-14, 11-20-14, 09-25-15, 10-16-18, 11-08-18 | |

POLICY:

Madera County Behavioral Health Services (MCBHS) will provide access to and payment for psychiatric hospitalization services for Madera County residents, who meet medical necessity, income guidelines, and have been determined to require this level of care. Decisions to approve or deny a service authorization request in an amount, duration, or scope that is less than requested will be made by a health care professional who has the appropriate clinical expertise in addressing the beneficiary's behavioral health needs. All denials for acute psychiatric inpatient hospital services or psychiatric health facility (PHF) services will be approved by a licensed physician.

PURPOSE:

To ensure the availability and payment of psychiatric inpatient hospital services for Medi-Cal beneficiaries who meet medical necessity criteria for this level of care. To insure program effectiveness and fiscal viability.

PROCEDURE:

(MCBHS) is responsible for authorization and payment of medically necessary covered inpatient services for MCBHS clients, including Medi-Cal beneficiaries.

I. Covered & Excluded Services:

A. Covered services include:

1. Acute psychiatric inpatient hospital services (including hospital-based ancillary services).
2. Associated administrative days.
3. Psychiatric inpatient hospital professional services provided in a hospital reimbursed through the Short-Doyle/Medi-Cal claims payment system.

- B. Excluded services include:
1. Any acute psychiatric inpatient hospital services provided by an out-of-state inpatient facility.
 2. Services provided by a State hospital.
 3. Services provided to persons eligible for Medicare, prior to their benefits being exhausted.
 4. Fee-for-Service/Medi-Cal psychiatric inpatient hospital services provided to persons enrolled in prepaid health plans that are responsible for inpatient services.
 5. Inpatient hospital services received in a medical/surgical bed.

II. Payment Authorization

- A. The Point of Authorization for payment authorization is MCBHS.
- B. A provider shall submit a separate written request for payment authorization for psychiatric inpatient hospital services to MCBHS for each of the following:
1. Prior to the planned admission of a beneficiary/client; and,
 2. Within fourteen (14) calendar days after:
 - a. Ninety-nine (99) calendar days of continuous service to a beneficiary/client if the hospital stay exceeds that period of time;
 - b. Discharge;
 - c. When a beneficiary has requested Medical Assistance Pending Fair Hearing (Aid Paid Pending); and,
 - d. Administrative day services are requested for a beneficiary.
- C. Receipt of the TAR means receipt of a Treatment Authorization Request or other document. The "date of receipt" means the date the document was received as indicated by a date stamp made by the receiver or fax date recorded on the document. For documents submitted by mail, the postmarked date must be used as the date of the receipt in the absence of a date/time stamp made by the receiver.
- D. The MCBHS Point of Authorization will approve or deny the request for MHP payment authorization within 10 calendar days of the receipt of the request, leaving 4 calendar days to be reviewed by the Medical Director. For a request for MHP payment authorization from a Fee-for-Service/Medi-Cal hospital, the Point of Authorization will submit the TAR to the fiscal intermediary within 10 calendar days of approval or denial, leaving 4 calendar days to be reviewed by the Medical Director..
- E. The MHP may consider a possible extension of 14 additional calendar days if the beneficiary/client or hospital requests and extension, or if the MHP needs additional information and can demonstrate that the extension is in

the beneficiary/client's interest.

F. If the MHP grants an extension, the MHP is to notify the beneficiary of the extension consistent with Department of Health Care Services' most recent guidance on Notices of Adverse Benefit Determination (NOABD).

G. Information regarding payment authorization should be sent to:

Madera County Behavioral Health Services

PO Box 1288

Madera, CA 93639

(559) 673-3508 or Toll Free (888) 275-9779

(559) 675-7758 FAX

H. Medical Necessity Criteria.

1. Reimbursement for psychiatric inpatient hospital services will be authorized when specific medical necessity criteria are met. These are not admission criteria, since admission to an inpatient service is always a clinical judgment.

2. To qualify for Medi-Cal reimbursement for psychiatric inpatient hospital services, a beneficiary/client must meet the State approved medical necessity criteria.

3. When necessary, the MHP will consult with the requesting provider in order to ensure appropriate authorization decisions.

a. Emergency Admissions.

i. Hospitals admitting a Madera County Medi-Cal beneficiary/client with an emergency psychiatric condition shall:

- Document the emergency psychiatric condition in the medical record.
- Document the presence of medical necessity in the medical record.

ii. Madera County may move Madera County beneficiaries from a non-contract facility once safety can be assured.

I. Authorization Denials

1. A NOABD will be sent to the requesting provider and the beneficiary providing written notice of any decision by the Contractor to deny authorization for payment of services and the reasons for the denial. A copy will be filed in the MHP files.