North Dakota Department of Human Services
Interim Human Services Committee
Representative Kathy Hogan, Chairman
July 25, 2016

Chairman Hogan, members of the Human Services Committee, I am Tammy Zachmeier, Administrator of Utilization Review, within the Medical Services Division, for the Department of Human Services. I appear before you to provide an overview of the Certificate of Need (CON) process for both Under the age of 21 Inpatient psychiatric acute, and Psychiatric Residential Treatment Facility (PRTF) placements.

Certificate of Need

Certification of Need (CON) is a regulatory review process that requires specific health care providers to obtain prior authorization for provision of services for Medicaid eligible recipients. CON is required for all recipients seeking care in a psychiatric hospital or an acute inpatient psychiatric program in a hospital and a psychiatric facility including PRTF, to determine the medical necessity of the proposed services. The CON evaluates the recipients capacity to benefit from proposed services, the efficacy of the proposed services, and consideration of the availability of less restrictive services to meet the individual's needs.

CON reviews for Psychiatric acute care and PRTF are covered under ND Administrative Code 75-02-02-10 (3)(a)(1) which stipulates that: "…an independent review team must be composed of individuals who have no business or personal relationship with the inpatient psychiatric facility or program requesting a certification of need (CON)." This requirement is met because the Department contracts with Ascend, A Maximus Company. Ascend serves as the independent team that completes the

CON for ND Medicaid recipients. This team consists of a Board-certified/eligible child psychiatrist and a registered nurse (RN) with a minimum of two (2) years of experience in children's behavior health. Ascend has been conducting the CON process under contract with the Department since 2003.

The Centers for Medicare and Medicaid (CMS), requires Medicaid agencies to have a utilization control program that monitors the need for services; which in the case of inpatient psychiatric services, requires the services to be appropriate for individuals undergoing active treatment, in accordance with an individual plan of care intended to "improve the recipient's condition or prevent further regression so that the services will no longer be needed."

Facilities covered by the Under 21 benefit are subject to federal guidelines in the Code of Federal Regulations (CFR) 42 CFR 441 Subpart D, and Subpart G of 483. CON guidelines require that a team specified in Section 441.154 certifies:

1. Ambulatory care resources available in the community do not meet the treatment needs of the recipient, <u>and</u>
2. Proper treatment of the recipient's psychiatric condition requires services on an inpatient basis under the direction of a physician, <u>and</u>
3. The services can reasonably be expected to improve the recipient's condition or prevent further regression.

<u>Admission Reviews</u>

There are two review types that require a CON, Acute Inpatient and PRTF.

Acute Inpatient: can be emergent or elective.

Emergent is defined as sudden onset of symptomology characterized by suicidal ideations/gestures, homicidal ideation/gestures, and/or psychosis to the extent that hospitalization is warranted and that the absence of immediate medical attention could reasonably be expected to result in serious dysfunction of any bodily organ/part, death of the recipient, or harm to another person by the recipient.

For **emergency admission**, the CON application must be completed, signed and dated by the facility team members responsible for the plan of care. This is required within 14 days of admission. The provider team responsible for the recipient's plan of care must be employed by or provide services to individuals in the facility.

If the admission is an acute emergency admission, the provider verifies the recipients Medicaid, and the provider notifies Ascend by web or fax on the day of admission or within two business days after admission. Ascend conducts the review and notifies the provider of the determination, which is a provisional approval based on receipt of the CON completed by the facility.

Elective admission (Acute) is defined as a relatively sudden short and severe course of a psychiatric condition presenting significant immediate danger to the recipient, others or the public safety, or one resulting in marked psychosocial dysfunction or grave mental disability of the recipient. The therapeutic intervention and treatment of an acute admission is aggressive and aimed toward expeditiously moving the

recipient to a less restrictive environment. In the event of an elective admission, the provider verifies the recipients Medicaid eligibility and notifies Ascend up to three days prior to or on the day of the elective admission. This notification occurs by submission of a completed ND Acute Review Form that includes demographic and clinical information. The Ascend physician completes this CON.

Acute admissions are typically approved by Ascend for up to 14 days. Many providers only request 10 days.

Psychiatric Residential Treatment Facilities (PRTF)

Psychiatric Residential Treatment Facilities are defined in North Dakota Century Code 25-03.01 as a facility or a distinct part of a facility that provides to children and adolescents a total, 24-hour, therapeutic environment integrating group living, educational service, and clinical program upon a comprehensive, interdisciplinary clinical assessment and an individualized treatment plan that meets the needs of the child and family. Admissions into PRTFs are elective.

The notification of the need for PRTF services occurs by the PRTF submitting a completed ND PRTF Review form. This form contains demographic and clinical information. If more information is needed, Ascend will contact the referral source. Ascend conducts the review and notifies the provider of the determination by telephone within one business day from the receipt of the review request. If medical necessity is met Ascend approves the CON and provides written approval to the facility.

PRTF approvals are initially approved by Ascend for up to 30 days.

Continued Stay Reviews (CSR)

For Acute Inpatient Care, each CSR may permit continued approval for the inpatient stay up to 14 calendar days until discharge from the facility or until medical necessity is no longer met. The provider submits a completed ND Acute Review Form to Ascend via the web system or fax within one business day prior to the termination of the current certification. Ascend reviews and notifies the provider of the determination by telephone, email or electronically within one business day from the receipt of the review request. CSR approval for acute is typically up to 14 days.

For PRTF care, each CSR may permit continued approval for up to 90 calendar days until discharge from the facility or until medical necessity is no longer met. The provider contacts Ascend by web system within 5 business days prior to the termination of the current certification. This is done by completing the ND PRTF Review form. Ascend reviews and notifies the provider of the determination by telephone, email or electronically within one business day from the receipt of the review request.

The CSR process reapplies CON criteria, comparing the individuals medical need for the level of intensity in services along with his/her continued ability to benefit from those services.

Retrospective Reviews

In addition to Admission and CSR Reviews, there is also a Retrospective Review which involves evaluating medical need for services for individuals who apply for Medicaid during or following receipt of acute

inpatient or PRTF services. If an individual applies for Medicaid benefits during their stay, a retrospective review occurs to determine whether the admission was appropriate, and if so, whether all or portions of the stay were medically necessary. The same considerations apply for individuals whose Medicaid application occurs after discharge.

Denials

Requests for approval for placement into an Acute Psychiatric or PRTF facility may be denied. The Ascend Board-certified/eligible child psychiatrist issues a denial if the request for authorization does not meet medical necessity criteria for the services requested. When a denial is issued, the facility may request a desk reconsideration within 10 days of the initial denial date. The reconsideration requires the facility to provide new/additional documentation that has not been provided initially. If the desk reconsideration is also denied the next step would be the appeal process which goes before an Administrative Law Judge (ALJ).

The most frequent reasons for denials are:

Acute care setting denials were primarily due to the child not verbalizing homicidal/suicidal ideation, or engaging in self injurious behaviors or exhibiting symptoms of psychosis; or behaviors such as defiance within the home or school setting, aggression such as hitting or kicking which can be addressed less restrictively.

Acute CSR denials most commonly are due to the child no longer exhibiting homicidal/suicidal ideation or symptoms of psychosis and a less restrictive setting could meet their needs.

PRTF admission denials are commonly related to the child not meeting criteria. A number of these children have had multiple PRTF placements. The documentation provided to Ascend to make a determination of medical necessity is "cookie cutter" information, vague and not individualized to the child. If after being denied, the provider would request desk reconsideration and would provide a much more individualized treatment plan, the denial is often be overturned.

PRTF CSR denials are frequently related to the child having reached maximum benefit (noted to be doing well in the program, positively addressing treatment issues, successfully attending off-campus passes with parents/guardians) or child was being held in a PRTF simply because a lower level placement could not be found. Placement issues do not justify remaining in a PRTF.

Review statistics

Attached to the testimony are several charts showing the volume of admission, continued stay and retrospective reviews for State Fiscal Years 2014, 2015 and 2016.

I would be happy to answer any questions that you have.