§1115 Waiver Amendment
Background and Core Characteristics of the IMD Waiver

Andrew Bean, Program Development Lead
Office of Medicaid Policy and Planning
The §1115 waiver amendment expands Medicaid reimbursement for acute inpatient stays in institutions for mental disease (IMD) for individuals with serious mental illness (SMI).

Part of broader FSSA efforts to ensure a comprehensive continuum of behavioral health services.

Intended to improve access to acute care for enrollees with SMI.

The waiver became effective on January 1, 2020.
“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.”

*Federal definition - 42 CFR §435.1010*
A facility that meets the following criteria will be recognized as a qualifying IMD:

- Enrolled as a psychiatric hospital (provider type 01 and provider specialty 011) with more than 16 beds
- Licensed by the Division of Mental Health and Addiction (DMHA) as a private mental health institution (PMHI)*
- State psychiatric facilities (SPFs) are ineligible under the waiver
Former State

• Previously reimbursement for stays in an IMD for substance use disorder only
• Managed care entities (MCEs) able to reimburse for short-term stays for serious mental illness (SMI)
• FSSA reimbursing for IMD stays for presumptively eligible enrollees with 100% state funds
• Reimbursement not available for fee-for-service enrollees between the ages of 21-64

Current State

• Reimbursement for short-term acute inpatient stays in an IMD for all Medicaid enrollees between 21-64
• Short term stays:
  – Based on medical necessity
  – Not a “hard stop”
  – Required to meet 30-day statewide average length of stay
  – Cannot exceed 60 days
• Ensures comparable access to IMDs for enrollees regardless of managed care or fee-for-service enrollment
§1115 Waiver Amendment
Waiver Goals

- Reduced utilization & length of stay in emergency departments
- Reduced preventable readmissions
- Improved availability of crisis stabilization services
- Improved access to community-based services
- Improved care coordination
§1115 Waiver Amendment
IMD Roles and Responsibilities

• Protocols to assess and provide referrals for housing insecurity as part of the social work assessment and discharge planning process
• Contact with each discharged beneficiary within 72 hours of discharge
§1115 Waiver Amendment

Resources

- Report to Congress on Oversight of Institutions for Mental Disease, Medicaid and CHIP Payment and Access Commission (MACPAC), Dec. 2019
- State Medicaid Director letter #18-011, RE: Opportunities to Design Innovative Service Delivery Systems for Adults with a Serious Mental Illness or Children with a Serious Emotional Disturbance
- IHCP Bulletin BT201967, “IHCP enhances access to care for members with serious mental illness”
- IHCP Bulletin BT202003, “IHCP gains federal approval to reimburse for acute SMI stays in IMDs”
Questions?