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1.0 Description of the Service

Inpatient Behavioral Health Services provide hospital treatment in a hospital setting 24 hours a day. Supportive nursing and medical care are provided under the supervision of a board-certified psychiatrist. This service is designed to provide continuous treatment for individuals with acute psychiatric or substance use disorders.

2.0 Eligibility Requirements

2.1 Provisions

2.1.1 General

An eligible individual shall be enrolled with the LME-MCO on the date of service and shall meet the criteria in **Section 3.0 of this policy**.

3.0 When the Service Is Covered

3.1 General Criteria Covered

State funds shall cover the service related to this policy when medically necessary, and:

- a. the service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the individual's needs;
- b. the service can be safely furnished, and no equally effective and more conservative or less costly treatment is available statewide; and
- c. the service is furnished in a manner not primarily intended for the convenience of the individual, the individual's caretaker, or the provider.

3.2 Specific Criteria Covered

3.2.1 Specific criteria covered by State Funds

State funds shall cover Inpatient Behavioral Health Services when the individual meets the specific criteria in **Subsections 3.2.2 and 3.2.3**.

3.2.2 Psychiatric Admission Criteria for an Individual under 18 years of age

Criteria for the admission of a children or adolescents less than 18 years of age to a psychiatric hospital or psychiatric unit of general hospital are limited herein. Children and adolescents shall meet all the criteria below to be approved for admission.

- a. The child or adolescent shall meet criteria for one or more of the following Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition (DSM-5), or any subsequent editions of this reference material, diagnoses:

1. The child or adolescent is presently a danger to self (e.g., engages in self-injurious behavior, has a significant potential, or is acutely manic). This usually would be indicated by one of the following:
 - A. The child or adolescent has made a suicide attempt or serious gesture (e.g., overdose, hanging, jumping from or placing self in front of moving vehicle, self-inflicted gunshot wound), or is threatening same with likelihood of acting on the threat, and there is an absence of supervision or structure to prevent suicide of the child or adolescent who has made an attempt, serious gesture or threat.
 - B. The child or adolescent manifests a significant depression, including current contemplation of suicide or suicidal ideation, and there is an absence of supervision or structure to prevent suicide.
 - C. The child or adolescent has a history of affective disorder:
 - i. with mood which has fluctuated to the manic phase, or
 - ii. has destabilized due to stressors or non-compliance with treatment.
 - D. The child or adolescent is exhibiting self-injurious (cutting on self, burning self) or is threatening same with likelihood of acting on the threat; or
2. The child or adolescent engages in actively violent, aggressive or disruptive behavior or the child or adolescent exhibits homicidal ideation or other symptoms which indicate that he or she is a probable danger to others. This usually would be indicated by one of the following:
 - A. The child or adolescent whose evaluation and treatment cannot be carried out safely or effectively in other settings due to impulsivity, impaired judgment, severe oppositional behavior, running away, severely disruptive behaviors at home or school, self-defeating and self-endangering activities, antisocial activity, and other behaviors which may occur in the context of a dysfunctional family and may also include physical, psychological, or sexual abuse.
 - B. The child or adolescent exhibits serious aggressive or assaultive behavior that is harmful to others (e.g., assaults with or without weapons, provocations of fights, gross aggressive over-reactivity to minor irritants, harming animals or is threatening same with likelihood of acting on the threat. This behavior should be attributable to the individual's specific DSM-5, or any subsequent editions of this reference material, diagnosis and can be treated only in a hospital setting; or
3. Acute onset of psychosis or severe thought disorganization or clinical deterioration in condition of chronic psychosis rendering the child or adolescent unmanageable and unable to cooperate in treatment. This usually would be indicated by one of the following: The child or adolescent has recent onset or aggravated psychotic symptoms (e.g., disorganized or illogical thinking, hallucinations, bizarre behavior, paranoia, delusions, incongruous speech, severely impaired judgment)

- and is resisting treatment or is in need of assessment in a safe and therapeutic setting; or
4. Presence of medication needs, or a medical process or condition, which is life threatening (e.g., toxic drug level) or which requires the acute care setting for its treatment. This usually would be indicated by one of the following:
 - A. Proposed treatments require close medical observation and monitoring to include, but not limited to, close monitoring for adverse medication effects, capacity for rapid response to adverse effects, and use of medications in clients with concomitant serious medical problems.
 - B. The child or adolescent has a severe eating disorder or substance use disorder, which requires 24-hour-a-day medical observation, supervision, and intervention.
 5. Need for medication therapy or complex diagnostic evaluation where the individual's level of functioning precludes cooperation with the treatment regimen, including forced administration of medication. This usually would be indicated by one of the following:
 - A. The child or adolescent whose diagnosis and clinical picture is unclear and who requires 24-hour clinical observation and assessment by a multi-disciplinary hospital psychiatric team to establish the diagnosis and treatment recommendations.
 - B. The child or adolescent is involved in the legal system (e.g., in a detention or training school facility) and manifests psychiatric symptoms (e.g., psychosis, depression, suicide attempts or gestures) and requires a comprehensive assessment in a hospital setting to clarify the diagnosis and treatment needs.

3.2.3 Criteria for Continued Acute Stay in an Inpatient Psychiatric Facility

After an initial admission period of up to three calendar days, to qualify for state-funded coverage for a continuation of an acute stay in an inpatient psychiatric facility, an individual shall meet each of the conditions:

- a. The individual has one of the following:
 1. A current DSM-5, or any subsequent editions of this reference material, diagnosis; or
 2. A current DSM-5, or any subsequent editions of this reference material, diagnosis and current symptoms/behaviors which are characterized by all of the following:
 - A. Symptoms or behaviors are likely to respond positively to acute inpatient treatment; and
 - B. Symptoms or behaviors are not characteristic of the individual's baseline functioning; and

- C. Presenting problems are an acute exacerbation of dysfunctional behavior patterns, which are recurring and resistive to change.
- b. Symptoms are not due solely to intellectual disability.
- c. The symptoms of the individual are characterized by:
 - 1. At least one of the following:
 - A. Danger to self or others; or
 - B. Behaviors which are grossly bizarre, disruptive, and provocative (e.g. feces smearing, disrobing, pulling out hair); or
 - C. Related to repetitive behavior disorders which present at least five times in a 24-hour period; or
 - D. Directly result in an inability to maintain age appropriate roles; and
 - 2. The symptoms of the individual are characterized by a degree of intensity sufficient to require continual medical/nursing response, management, and monitoring.
- d. The services provided in the facility can reasonably be expected to improve the individual's condition or prevent further regression so that treatment can be continued on a less intensive level of care, and appropriate treatment of the individual's psychiatric condition requires services on an inpatient basis under the direction of a physician.

3.2.4 Additional Criteria Covered

In addition to the specific criteria covered in **Subsection 3.2.1** of this policy, state funds shall cover Inpatient Behavioral Health Services as detailed in **Subsections 3.2.5 and 3.2.6** and Attachments B and C.

3.2.5 Preadmission Review Criteria for Individuals with Substance Use Disorders

The following are criteria for preadmission review for psychiatric treatment of adults, 18 years of age or above, with a substance use disorder.

- a. A DSM-5, or any subsequent editions of this reference material, diagnosis of a substance use disorder and one of the following:
 - 1. Need for skilled observation or therapeutic milieu necessitating inpatient treatment
 - 2. Need for detoxification and not manageable by alternative treatment
 - 3. Potential danger to self or others and not manageable by alternative treatment
 - 4. Onset of, or risk for seizures, delirium tremens or psychosis
 - 5. Presence of significant medical disorder or other disabling psychiatric disorder necessitating inpatient treatment
- b. This is used in combination with American Society of Addiction Medicine (ASAM) criteria.

3.2.6 Preadmission Review Criteria for Individuals with Mental Health Disorders

The following are criteria for preadmission review for psychiatric treatment of an adult, age 18 years of age or above, with a mental health disorder:

A DSM-5, or any subsequent editions of this reference material, diagnosis and one of the following:

- a. Impaired reality testing (e.g., delusions, hallucinations) behavior or other acute disabling symptoms not manageable by alternative treatment
- b. Potential danger to self or others and not manageable by alternative treatment
- c. Concomitant severe medical illness or substance use disorder necessitating inpatient treatment
- d. Severely impaired social, familial, occupational or developmental functioning that cannot be effectively evaluated or treated by alternative treatment
- e. Failure of or inability to benefit from alternative treatment, in the presence of severe disabling psychiatric illness
- f. Need for skilled observation, special diagnostic or therapeutic procedures or therapeutic milieu necessitating inpatient treatment

4.0 When the Service Is Not Covered

4.1 General Criteria Not Covered

State funds shall not cover the service related to this policy when:

- a. the individual does not meet the eligibility requirements listed in **Section 2.0**;
- b. the individual does not meet the criteria listed in **Section 3.0**;
- c. the service duplicates another provider's service; or
- d. the service is experimental, investigational, or part of a clinical trial.

5.0 Requirements for and Limitations on Coverage

5.1 Prior Approval

State-funded services shall require prior approval for Inpatient Behavioral Health Services. The provider shall obtain prior approval before rendering Inpatient Behavioral Health Services. Hospitals must contact the LME-MCO for authorization of services within 48 working hours of admission.

5.2 Prior Approval Requirements

5.2.1 General

The provider(s) shall submit to LME-MCO the following:

- a. the prior approval request; and
- b. all health records and any other records that support the individual has met the specific criteria in **Subsection 3.2** of this policy.

5.3 Certificates of Need

The admitting hospital is responsible for obtaining certification of need (CON) for inpatient hospitalization for persons under age 21 in accordance with Subpart D of 42 CFR § 441.152. The certification of need must be made by an independent team. The CON cannot be retroactive.

6.0 Provider(s) Eligible to Bill for the Service

To be eligible to bill for the service related to this policy, the provider(s) shall:

- a. Meet LME-MCO contract qualifications for participation;
- b. Have a current and signed Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement; and
- c. Bill only for services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

6.1 Provider Qualifications

The provider shall be licensed by the NC Division of Health Service Regulation.

6.2 Provider Accreditation

The psychiatric hospital or the inpatient program within a general hospital must be accredited by the Joint Commission on Accreditation of Healthcare Organizations or similar accrediting body.

7.0 Additional Requirements

7.1 Compliance

Provider(s) shall comply with the following in effect at the time the service is rendered:

- a. All applicable agreements, federal, state and local laws and regulations including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements; and
- b. All DMH/DD/SAS's clinical (medical) coverage policies, guidelines, policies, provider manuals, implementation updates, and bulletins published by the Centers for Medicare and Medicaid Services (CMS), DHHS, DHHS division(s) or fiscal contractor(s).

7.2 Plan of Care

The provider shall establish a written individual plan of care for the individual receiving services.

7.3 Preadmission Authorization and Continued Stay Reviews

The LME-MCO utilization review staff conducts preadmission authorization and continued stay (concurrent) reviews.

7.4 Documentation Requirements

The provider shall document a shift note for every eight hours of service provided. The note includes each of the following:

- a. the individual's first and last name and date of birth on each page of the service record;
 - b. the date of service;
 - c. the purpose of contact with the individual receiving;
 - d. a description of the interventions;
 - e. the effectiveness of interventions; and
- the signature and credentials of the staff providing the service.

Refer to **Attachment B & C** for service specific requirements.

8.0 Policy Implementation/Revision Information

Original Effective Date: July 1, 2017

Revision Information:

Date	Section Revised	Change
07/01/17	All Sections and Attachments	State-funded service definition implementation.

Attachment A: Claims-Related Information

LME-MCOs and provider(s) shall comply with the, *NCTracks Provider Claims and Billing Assistance Guide*, joint communication bulletins, fee schedules, DMH/DD/SAS's clinical coverage policies and any other relevant documents for specific coverage and reimbursement for state funds:

A. Claim Type

Institutional (837I transaction)

B. International Classification of Diseases, Tenth Revisions, Clinical Modification (ICD-10-CM) and DMHDDSAS Benefit Plans

Provider(s) shall report the ICD-10-CM and Procedural Coding System (PCS) to the highest level of specificity that supports medical necessity. The subset of allowed codes, **including the DMHDDSAS Benefit Plan Diagnosis Array** for state-funded billing may be found at <http://www.ncdhhs.gov/divisions/mhddsas/FY2017Documents>.

C. Code(s)

Provider(s) shall report the most specific local billing code that accurately and completely describes the service provided.

In addition to the appropriate revenue codes, LME-MCOs must identify the appropriate inpatient service provided by using the following local procedure code: YP 820

D. Billing Units

Provider(s) shall report the appropriate code(s) used which determines the billing unit(s). Psychiatric and substance use disorder therapeutic interventions are reimbursed at a per diem rate based on occupancy on the inpatient unit during midnight bed count.

E. Place of Service

Inpatient Behavioral Health services are covered in a hospital as defined in G.S. 131E-176(13).

F. Reimbursement

Provider(s) shall bill based on their contractual agreement with the LME-MCO.

Physician and other professional time is included in the daily rate and cannot be billed separately.

Attachment B: Inpatient Hospital (Substance Use Disorder Treatment) Billable Service

ASAM Criteria Level 4 Medically-Managed Intensive Inpatient Services

Example: ADATC, general hospital

A. Service Definition and Required Components

Medically-Managed Intensive Inpatient Service is an organized service delivered in an acute care inpatient setting by medical and nursing professionals that provides for 24-hour medically directed evaluation, withdrawal management, and intensive inpatient treatment. It is appropriate for individuals' whose acute biomedical, emotional, behavioral and cognitive problems are so severe that they require primary medical and nursing care.

A service order for Medically Managed Intensive Inpatient Services must be completed by a physician, licensed psychologist, physician's assistant or nurse practitioner according to their scope of practice prior to or on the day that the services are to be provided.

B. Provider Requirements

Medically Managed Intensive Inpatient Services must be delivered by practitioners employed by a substance abuse provider organization that meet the provider qualification policies, procedures, and standards established by Division of Mental Health, Developmental Disabilities, and Substance Abuse Services (DMH/DD/SAS) and the requirements of 10A NCAC 27G. These policies and procedures set forth the administrative, financial, clinical, quality improvement, and information services infrastructure necessary to provide services.

Inpatient Hospital Substance Abuse Services must be delivered in a licensed 24-hour inpatient setting or in a State operated facility. This service may be provided at a psychiatric hospital or on an inpatient unit within a licensed hospital or in State-operated certified psychiatric hospital. A psychiatric hospital or an inpatient program in a hospital shall be accredited in accordance with 42 CFR 441.151(a)(2).

These services are reimbursed at a per diem rate based on occupancy on the inpatient unit during the midnight bed count. Physician and other professional time is included in the daily rate and cannot be billed separately.

C. Staffing Requirements

Medically Managed Intensive Inpatient Services are under the supervision of a board-certified psychiatrist who is available 24 hours a day by telephone and who conduct assessments within 24 hours of admission. A registered nurse is available to conduct a nursing assessment on admission and oversee the monitoring of an individual's progress and medication administration on an ongoing basis. Appropriately licensed and credentialed staff is available to administer medications in accordance with physician orders.

Persons who meet the requirements specified for Certified Clinical Supervisor (CCS), Licensed Clinical Addictions Specialty (LCAS), and Certified Substance Abuse Counselor (CSAC) under Article 5C may deliver a planned regimen of 24-hour evaluation, care and treatment services for individuals engaged in Medically Managed Intensive Inpatient Services. The planned regimen of 24-hour evaluation, care and treatment services must be under the clinical supervision of a LCAS or CCS who is available by phone 24 hours a day. The planned regimen of 24-hour evaluation, care and treatment services for individuals engaged in Medically Managed Intensive Inpatient Services may also be provided by staff who meet the requirements specified for Qualified Professional (QP) or Associate Professional (AP) status in Substance Abuse according to 10A NCAC 27G.0104, under the supervision of a LCAS or CCS. Paraprofessional level providers who meet the requirements for Paraprofessional status according to 10A NCAC 27G.0104 and who have the knowledge, skills and abilities required by the population and age to be served may deliver the planned regimen of 24-hour evaluation, care and treatment services for individuals engaged in Medically Managed Intensive Inpatient Services, under the supervision of a LCAS or CCS.

D. Service Type or Setting

Services provided in a licensed 24-hour inpatient setting. This service may be provided in a licensed community hospital, state operated psychiatric hospital or a facility licensed under 10A NCAC 27G.6000.

E. Utilization Management

Authorization by the LME-MCO utilization review staff is required. Initial authorization is limited to seven calendar days.

F. Entrance Criteria

The following criteria are to be utilized for preadmission review for psychiatric treatment of an adult with a substance use disorder(s):

A DSM-5, or any subsequent editions of this reference material, substance use disorder and one of the following:

- a. Need for skilled observation or therapeutic milieu necessitating inpatient treatment (e.g., inability to maintain abstinence despite attempts at lower levels of care, or unstable outpatient milieu such as family member with an active substance use disorder)
- b. Need for medical detoxification and not manageable by alternative treatment
- c. Potential danger to self or others and not manageable by alternative treatment
- d. Onset of, or risk for seizures, delirium tremens or psychosis
- e. Presence of significant medical disorder or other disabling psychiatric disorder necessitating inpatient treatment

This is used in combination with ASAM criteria. (ASAM Criteria Level 4)

G. Continued Stay Criteria

The desired outcome or level of functioning has not been restored, improved, or sustained over the time frame outlined in the individual's service plan/Person Centered Plan or the individual continues to be at risk for relapse based on history or the tenuous nature of the functional gains or any one of the following apply:

- a. The individual has achieved initial service plan/Person Centered Plan goals and these services are needed to meet additional goals.
- b. The individual is making satisfactory progress toward meeting goals.
- c. The individual is making some progress, but the service plan/Person Centered Plan (specific interventions) needs to be modified so that greater gains, which are consistent with the individual's premorbid level of functioning, are possible or can be achieved.
- d. The individual is not making progress; the service plan/Person Centered Plan must be modified to identify more effective interventions or
- e. The individual is regressing; the service plan/Person Centered Plan must be modified to identify more effective interventions.

The provider shall conduct utilization review every 7 calendar days and document it in the service plan/Person Centered Plan and the service record.

H. Discharge Criteria

The individual continues in Medically Managed Intensive Inpatient Service until withdrawal signs and symptoms are sufficiently resolved that he or she meets medical necessity for and can be managed at a less intensive level of care. The inpatient service provider is required to coordinate discharge planning with the individual receiving services and the LME-MCO.

NOTE: Any denial, reduction, suspension, or termination of service requires notification to the individual, legally responsible person, or both about the individual's appeal rights pursuant to G.S. 143B-147(a)(9) and Rules 10A NCAC 27I .0601-.0609.

I. Expected Outcomes

The expected outcome of this service is the establishment of abstinence sufficient to enable a transfer to a less restrictive level of care.

J. Documentation Requirements

Minimum standard is a shift service note for every 8 hours of services provided that includes the individual's full name, birth date, date of service, purpose of contact, describes the provider's interventions, the time spent performing the intervention, the effectiveness of interventions and the signature and credentials of the staff providing the service. In addition, detoxification rating scale tables and flow sheets (including tabulation of vital signs) are used as needed.

The inpatient service provider is required to coordinate discharge planning with the individual receiving services and the LME-MCO and document the plan in the service record.

K. Service Exclusions or Limitations

The case management components of Intensive In-Home Services, Multisystemic Therapy, Community Support Team, Assertive Community Treatment Team, Substance Abuse Intensive Outpatient, and Substance Abuse Comprehensive Outpatient may be delivered in coordination with the Inpatient SA Hospital provider and be documented in the Person Centered Plan. Discharge planning shall begin upon admission to this service.

**Attachment C: Inpatient Hospital Psychiatric Treatment (MH)
Billable Service**

A. Service Definition and Required Components

Inpatient Hospital Psychiatric Service is an organized service that provides intensive evaluation and treatment delivered in an acute care inpatient setting by medical and nursing professionals under the supervision of a board-certified psychiatrist. This service is designed to provide continuous treatment for individuals with acute psychiatric problems.

A service order for Inpatient Hospital Psychiatric Service must be completed by a physician, licensed psychologist, physician's assistant or nurse practitioner according to his scope of practice prior to or on the day that the services are to be provided.

B. Provider Requirements

Inpatient Hospital Psychiatric Services must be delivered in a licensed 24-hour inpatient setting or in State-operated facilities. This service may be provided at a psychiatric hospital or on an inpatient unit within a licensed hospital or in State-operated psychiatric hospitals. A psychiatric hospital or an inpatient program in a hospital must be accredited in accordance with 42 CFR 441.151(a)(2).

C. Staffing Requirements

Inpatient Hospital Psychiatric Services are under the supervision of board-certified psychiatrist who is available 24 hours a day by telephone and who conduct assessments within 24 hours of admission. A registered nurse is available to conduct a nursing assessment on admission and oversee the monitoring of an individual's progress and medication administration on an ongoing basis. Appropriately licensed and credentialed staff are available to administer medications in accordance with physician orders. The planned regimen of 24-hour evaluation, care and treatment services must be under the clinical supervision of a board-certified psychiatrist who is available by phone 24 hours a day.

D. Service Type or Setting

The service is provided in a licensed 24-hour inpatient setting. This service may be provided at a psychiatric hospital or on an inpatient psychiatric unit within a licensed hospital licensed as inpatient psychiatric hospital beds or in State-operated facilities. A psychiatric hospital or an inpatient program in a hospital shall be accredited in accordance with 42 CFR 441.151(a)(2).

E. Program Requirements

This service focuses on reducing acute psychiatric symptoms through face-to-face, structured group and individual treatment. This service is designed to offer medical, psychiatric and therapeutic interventions including such treatment modalities as medication management, psychotherapy, group therapy, dual diagnosis treatment for comorbid psychiatric and substance use disorders and milieu treatment; medical care and treatment as needed; and supportive services

including room and board. A determination of the appropriate services is made by the care provider under the direction of the attending physician. These services are reimbursed at a per diem rate based on occupancy on the inpatient unit during the midnight bed count. Physician and other professional time is included in the daily rate and cannot be billed separately. Educational services are not billable for state funds, but must be provided according to state and federal educational requirements.

F. Utilization Management

Authorization by the LME-MCO is required. This service must be included in the individual's service plan/Person-Centered Plan. Initial authorization is limited to three (3) days with continued stay reviewed.

G. Entrance Criteria

The medical necessity criteria for admission to a psychiatric hospital or to a psychiatric unit of a general hospital are outlined in Section 3.2.6 of this policy.

H. Continued Stay Criteria

The criteria for continued stay in an acute inpatient psychiatric facility are summarized below:

The desired outcome or level of functioning has not been restored, improved or sustained over the time frame outlined in the service plan and the individual continues to be at risk of harming self or others as evidenced by direct threats or clear and reasonable inference of serious harm to self; violent, unpredictable or uncontrollable behavior which represents potential for serious harm to the person or property of others; demonstrating inability to adequately care for own physical needs; or requires treatment which is not available or is unsafe on an outpatient basis. The individual's condition must require psychiatric and nursing interventions on a 24-hour basis.

Additional continued stay criteria for continued acute stay in an inpatient psychiatric facility are outlined in Section 3 of this policy. Utilization review must be conducted every 3 calendar days for non-state operated facilities and is documented in the service plan/or Person Centered Plan and the service record.

I. Discharge Criteria

The individual receiving the service no longer meets the continued stay criteria. The inpatient services provider is required to coordinate discharge planning with the individual receiving services and the LME-MCO.

NOTE: Any denial, reduction, suspension, or termination of service requires notification to the individual, legally responsible person, or both about the individual's appeal rights pursuant to G.S. 143B-147(a)(9) and Rules 10A NCAC 27I .0601-.0609.

J. Expected Outcomes

The individual receiving the service will attain a level of functioning including stabilization of psychiatric symptoms and establishment of abstinence sufficient to allow for subsequent substance use disorder or mental health treatment in a less restrictive setting.

K. Documentation Requirements

Minimum standard is a shift note for every 8 hours of services provided that includes the individual's full name, birth date, date of service, purpose of contact, describes the provider's interventions, the time spent performing the intervention, the effectiveness of interventions and the signature of the staff providing the service.

L. Service Exclusions/Limitations

The case management components of Intensive In-Home Services, Multisystemic Therapy, Community Support Team, Assertive Community Treatment Team, Substance Abuse Intensive Outpatient, and Substance Abuse Comprehensive Outpatient may be delivered in coordination with the Inpatient SA Hospital provider and be documented in the Person Centered Plan.