

Psychiatric Intensive Care-Medicaid Rate

DECEMBER 2022

BACKGROUND

Iowa Medicaid was requested by Iowa legislators to coordinate with healthcare systems across Iowa, providers, and other stakeholders to propose a tiered rate reimbursement methodology for psychiatric intensive inpatient care.

A psychiatric intensive care (PIC) Medicaid rate was proposed with the following results in mind:

- Reduction in the amount of time individuals await placement in emergency department settings.
- Reduction in the number of individuals turned away from hospital psychiatric inpatient placement due to a hospital’s inability to staff/treat individuals with specialized needs.
- Leverage more “open” psychiatric beds to provide psychiatric intensive care.

The scope of this project is focused on the implementation of a Medicaid rate specific to inpatient psychiatric intensive care by January 1, 2023.


- This project implements HF 2546 – relating to psychiatric intensive care and a tiered psychiatric rate reimbursement methodology.
- This project implements the psychiatric intensive care components of HF 2578, Sec. 31 – an Act relating to appropriations for health and human services.

FUNDING

HF 2578 appropriates \$1.5 million for the implementation of Iowa Medicaid PIC rates for the period of January 1, 2023, to June 30, 2023.

IMPLEMENTATION TIMELINE & ACTION PLAN

#	Milestone	Target Completion Date	Completion Date	Implementation Update Description
1	Refine acuity threshold for psychiatric intensive care (PIC) with stakeholder workgroup.	8/31/2022	9/21/2022	The workgroup met regularly to assist with development of program parameters and administrative rules. The team is also providing feedback on provider and claims processor training and education.

2	Rules package to implement PIC rate.	8/31/2022	9/30/2022	The rules package was submitted on September 30. Emergency rule authority is being used. The DHS Council met on 10/13/2022 and approved the rules to move forward. The rules are slated to be in the Nov. 2 bulletin. Anticipated the rules to go to ARRC on Dec. 13 and the DHS council Dec. 8 with the plan to request emergency adoption after notification and be effective in January 2023. Public comment should be from November 2-22, 2022.
3	Finalize PIC rate.	9/16/2022	10/25/2022	<p>PCA developed three models which are outlined in the PIC Rate Decision document. The Medicaid Director is accepting the team's recommendation to use the 35% model.</p> <div data-bbox="1045 905 1102 968" style="text-align: center;">  </div> <p style="text-align: center;">PIC Rate Decision Document.docx</p>
4	SPA for Medicaid rate.	10/14/2022		Iowa Medicaid identified that rate that will be used on 10/25/2022. The SPA will be drafted and submitted within the next week.
5	Establish PIC rate outcome monitoring measures & processes.	10/28/2022		Have met with the Forensic PIC team, Managed Care Organizations (MCOs), and stakeholders. A list of possible measures has been compiled. The timelines and mechanisms for which data points will be collected has not been finalized. Claims processes have been developed in a way that lends itself to tracking.
6	Define program integrity monitoring requirements.	10/28/2022		Program integrity has been included in the PIC workgroup and will assist with the final decisions regarding program monitoring.

7	IT updates to Medicaid claims systems.	1/1/2023		Iowa Medicaid and the MCOs have been meeting to establish utilization management (prior authorization approval) standards and claims processes. Claims codes that will be used are revenue code 0204 and CPT code 90899. The teams are coordinating efforts to ensure system updates will be completed consistently across the system and timely.
8	IT updates to MCO claims systems.	1/1/2023		Iowa Medicaid and the MCOs have been meeting to establish utilization management (prior authorization approval) standards and claims processes. Claims codes that will be used are revenue code 0204 and CPT code 90899. The teams are coordinating efforts to ensure system updates will be completed consistently across the system and timely. A policy clarification has been drafted and should be going to the MCOs within the week.
9	Coordinate with IHA to provide hospitals business needs associated with documentation to support PIC rates in hospital electronic medical records.	1/1/2023		<p>The workgroup met regularly to assist with development of program parameters and administrative rules. The team is also providing feedback on provider and claims processor training and education.</p> <p>The hospitals will be provided specific claims processes soon and will be able to make applicable IT updates at that point. The next meeting of the workgroup is November 16, 2022.</p>

10	Documentation training for providers.	1/1/2023		<p>Iowa Medicaid and the MCOs have been meeting to establish standardization in UM processes. Approval for inpatient psych is uniform, the teams are working to differentiate approval processes for ICU care above standard care.</p> <p>Specific (separate) training for providers and claims processors is being developed. The plan is to provide an IL and do webinar based trainings that can be recorded and posted. The MCOs/FFS are meeting to refine UM/Claims processes and begin drafting training on November 2.</p>
11	Claims submission training for claims processors.	1/1/2023		<p>Iowa Medicaid and the MCOs have been meeting to establish standardization in UM processes. Approval for inpatient psych is uniform, the teams are working to differentiate approval processes for ICU care above standard care.</p> <p>Specific (separate) training for providers and claims processors is being developed. The plan is to provide an IL and do webinar based trainings that can be recorded and posted. The MCOs/FFS are meeting to refine UM/Claims processes and begin drafting training on November 2.</p>
12	PIC Medicaid rate go live.	1/1/2023		<p>Timelines are tight, but on track. A delay in the rules could delay this project.</p>

Carrie Malone
HHS Legislative Liaison
cmalone@dhs.state.ia.us
 515.401.6180