



Iowa Department of Human Services

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GENERAL LETTER NO. 8-K-20

ISSUED BY: Bureau of Financial, Health and Work Supports
Division of Adult, Children and Family Services

SUBJECT: Employees' Manual, Title 8, Chapter K, **PSYCHIATRIC
INSTITUTIONS**, page 12, revised.

Summary

Chapter 8-K is revised to reflect the name change of intermediate care facilities for the mentally retarded (ICF/MR) to intermediate care facilities for persons with an intellectual disability (ICF/ID), as mandated by 2012 Iowa Acts, Senate File 2247.

Effective Date

Immediately.

Material Superseded

This material replaces the following page from Employees' Manual, Title 8, Chapter K:

<u>Page</u>	<u>Date</u>
12	July 25, 2014

Additional Information

Refer questions about this general letter to your area income maintenance administrator.

Medical Necessity

Legal reference: 42 CFR 45, 441 IAC 78.3(249A), 81.3(249A), 81.7(249A), 85.6(1)"f", 85.24(1)"f," 85.45(1)

Payment will be made to a psychiatric medical institution only if the care provided is determined to be reasonable, necessary and appropriate. This determination must be done before ABC entries are made to allow facility payments.

A determination of the medical necessity for the level of care provided is required when a person:

- ◆ Enters a psychiatric medical facility.
- ◆ Moves to a bed that is certified for a different level of care.
- ◆ Returns to the psychiatric medical facility after leave beyond reserve bed days.
- ◆ Moves to a different medical facility, even if at the same level of care.

The IME Medical Services Unit makes the determination for people who are **not** currently enrolled in Medicaid and the Iowa Plan. For children entering PMIC substance abuse treatment and people who are currently enrolled in Medicaid and the Iowa Plan, the Iowa Plan contractor determines medical necessity. The IME Medical Services Unit also screens all persons to determine if they are mentally ill or have an intellectual disability or have a related condition.

When a child in foster care is a candidate for PMIC placement, the social worker contacts the facility so the facility can request a level-of-care determination from the IME Medical Services Unit or the Iowa Plan. The IME Medical Services Unit or the Iowa Plan usually calls the facility with a determination within one working day.

The day the determination is made, the facility sends the IM worker form 470-0042, *Case Activity Report*. Review this form to verify approval for the level of care that the person is seeking. If the person meets all other eligibility requirements and the level of care is medically necessary, complete ABC system entries for an eligibility determination. See [14-B\(9\)](#) for system instructions.

Contact the facility if the effective date on the *Case Activity Report*, form 470-0042, does not match the date the person wants Medicaid payment to begin or if you do not receive a *Case Activity Report*.

If an applicant has requested retroactive eligibility to cover the cost of medical institution care, check to see if the IME Medical Services Unit or the Iowa Plan has made a retroactive determination. A person may have needed institutional care in the retroactive period even if such care is not medically necessary now.