

# Psychiatric Residential Treatment Facilities: Certificate of Need

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South Carolina Department of Health and Human Services  
Division of Behavioral Health  
2021

# Disclaimer

- Materials presented today are not comprehensive. This training does not take the place of reading the provider policy and procedure manual. Prior to treatment, all beneficiaries must meet the medical necessity criteria for that service. All information in this presentation pertains to South Carolina Department of Health and Human Services Healthy Connections (SCDHHS) Medicaid beneficiaries.

# Purpose of the Orientation

- To act as a guide for Psychiatric Residential Treatment Facilities (PRTF) providers who are learning about South Carolina Medicaid policy and procedures prior to rendering PRTF services.
  - While this presentation is designed to enhance understanding of the Medicaid Standards regarding the Psychiatric Hospital Services Manual, all aspects and policy are not covered in this presentation. Please review the Psychiatric Hospital Services Manual and the Administrative and Billing Manual.
- To help providers avoid potential Medicaid recoupment.

# Objectives

At the completion of this presentation, providers will be able to:

1. Gain a better understanding of the structure, characteristics, policies and procedures regarding a PRTF.
2. Identify regulatory requirements for PRTFs.

# Certification of Need

- The Code of Federal Regulations (CFR), 42 CFR 441.151, states that inpatient psychiatric services must be certified as necessary, in writing, for the setting in which the services will be provided in accordance with CFR 441.152.
- 42 CFR 441.153 mandates that either an independent review team or the facility-based interdisciplinary team certify a beneficiary's admission to an inpatient psychiatric facility by completing the Certificate of Need (CON) form.
- The CON must certify the following admission requirements:
  - Documentation of a comprehensive assessment conducted within the previous week by a Licensed Practitioner of the Healing Arts (LPHA) has been reviewed and includes information pertaining, but not limited to, prior treatment history, diagnostic history, mental status examination, current symptoms and risk assessment.
  - Mental health, substance use disorder and/or health care resources available in the community do not meet the treatment needs of the beneficiary.
  - The proper treatment of the beneficiary's psychiatric condition requires services on an inpatient basis under the direction of a physician.
  - Services can reasonably be expected to improve the beneficiary's condition, prevent further regression, and/or prepare the child and family for the child's return home so that inpatient psychiatric services will no longer be needed.

# Certification of Need

- The CON form must be completed once per beneficiary per admission. If a beneficiary is discharged and readmitted, a new CON form must be completed.
- The CON form is valid for 45 days when completed prior to the admission of a beneficiary. Although the form is valid for 45 days, it must accurately reflect the beneficiary's state of health on the date of admission.
- A new CON form is required when a beneficiary is discharged from one facility and admitted to another PRTF.
- It is important to note the CON must be submitted to the respective Quality Improvement Organization (QIO) or managed care organization (MCO) when requesting prior authorization for PRTF admission.
- It is important to note any inpatient service days paid by Medicaid that are not covered by a properly completed CON form are subject to recoupment in a post-payment or retrospective review.

# Teams Who Can Complete the CON

- Independent Review Teams

- An independent review team is a team that is not affiliated with the receiving inpatient psychiatric facility and no member has a financial, employment or consultant relationship with the admitting facility. For an individual who is a beneficiary when admitted to a facility or program, the CON must be completed by an independent team. The independent review team must consist of professionals in accordance with 42 CFR 441.153.

OR

- Interdisciplinary Teams

- An interdisciplinary team is a team of professionals within the facility. The CON must be completed by the interdisciplinary team for an individual who applies for Medicaid while in the facility or for an emergency admission. All team members must sign the CON form. The interdisciplinary review team must consist of professionals in accordance with 42 CFR 441.153.

# Certificate of Need Form

- Facilities must use the CON form found in the forms section of the Psychiatric Hospital Services Manual:  
<https://www.scdhhs.gov/provider-type/psychiatric-hospital-services-manual-070119-edition-posted-070119>

SOUTH CAROLINA DEPARTMENT OF HEALTH AND HUMAN SERVICES  
*CERTIFICATION OF NEED*

Client's Name: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

Social Security Number: \_\_\_\_\_

NPI or Medicaid Provider ID: \_\_\_\_\_

A review team has evaluated all of the information submitted by the physician and other professionals to justify the client's admission to \_\_\_\_\_ and certifies that:

- ( ) Documentation of comprehensive diagnostic assessment conducted within one (1) week by a LPHA has been reviewed and includes information pertaining, but not limited to, prior treatment history, diagnostic history, mental status examination, current symptoms, risk assessment; and
- ( ) Ambulatory services available in the community do not meet the current treatment needs of the client; and
- ( ) Prior treatment addressing presenting concern/problem has not been successful; and
- ( ) Proper treatment of the client's psychiatric condition requires services on an inpatient basis under the direction of a physician; and
- ( ) The inpatient services can reasonably be expected to improve the client's condition or prevent further regression so that the inpatient services will no longer be needed.

**OR**

- ( ) According to current criteria, the client does not meet the requirements for Medicaid-sponsored inpatient psychiatric care.



