



COLORADO

Department of Health Care
Policy & Financing

303 E. 17th Avenue
Denver, CO 80203

Behavioral Health Campus Policy

For Determining IMD Status

Effective January 1, 2024

Background

Federal law prohibits state Medicaid agencies from receiving federal matching funds for stays within an institution for mental disease (IMD) for adults ages 21-64. An IMD is defined as a hospital, nursing facility, or other institution with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care for persons with mental diseases, including medical attention, nursing care, and related services.¹ Additionally, federal match for enrollees under 21 is limited to inpatient psychiatric services provided within a psychiatric hospital, general hospital with a psychiatric program, or a Psychiatric Residential Treatment Facility (PRTF).

There are some limited flexibilities available to states that allow them to reimburse for adult IMD stays under managed care authorities. Currently, the Colorado Department of Health Care Policy & Financing (HCPF) has authority to reimburse IMD stays of up to 15 days within a calendar month through its Regional Accountable Entities (RAEs).

HCPF is issuing this guidance to provide behavioral health providers with options for establishing step-down services on a campus. This guidance outlines parameters for developing standalone services on the same campus in a manner that allows these units and programs to avoid IMD status. A campus includes entities that have a shared address or are adjoining properties. Adjoining properties are those less than 750 feet from another property owned and operated by the same governing body.

Federal Parameters

The Centers for Medicare and Medicaid Services (CMS) has established criteria for states to determine whether a facility is an IMD. When a facility or campus includes multiple components, there are a series of guidelines that must be applied to identify the facility(s) to which the criteria is to be applied. The CMS criteria includes:

1. Are all components controlled by one owner or one governing body?
2. Is one chief medical officer responsible for the medical staff activities in all components?
3. Does one chief executive officer control all administrative activities in all components?
4. Are any of the components separately licensed?
5. Are the components so organizationally and geographically separate that it is not feasible to operate as a single entity?
6. If two or more of the components are participating under the same provider category (such as Nursing Facilities), can each component meet the conditions of participation independently?

Per CMS guidelines, if the answer to items 1, 2, or 3 is "no," or the answer to items 4, 5, or 6 is "yes," for example, there may be a separate facility/component. If it is determined there are separate components on the campus, any such units with 16 beds or less would not be considered an IMD, regardless of the bed count of the other units. For any separate components with more than 16 beds, HCPF would need to evaluate the "overall character" of the facility/component to determine if it meets the definition of an IMD. Additionally, if

¹42 CFR 435.1010

settings on a campus do not meet the criteria to be considered a separate facility/component, the total number of beds on the campus would need to be counted when determining whether the institution is an IMD. Any facility/component meeting the definition of an IMD would be subject to the IMD reimbursement exclusion, and in turn, the maximum length of stay (LOS) of 15 days within a calendar month. This would not apply to members under 21 years old receiving care in a psychiatric hospital or a Psychiatric Residential Treatment Facility (PRTF). The following table outlines examples of how the separate component criteria are applied and the associated implications.

Scenario	Setting 1 Implications	Setting 2 Implications
Setting 1 (≤ 16 beds) & Setting 2 (≤ 16 beds) on the same campus are determined to be separate components	Not an IMD due to bed count.	Not an IMD due to bed count.
Setting 1 (> 16 beds) & Setting 2 (≤ 16 beds) on the same campus are determined to be separate components	Potentially an IMD due to bed count. If deemed an IMD, held to a 15-day LOS maximum.	Not an IMD due to bed count. Not held to a 15-day LOS maximum.
Setting 1 (> 16 beds) & Setting 2 (> 16 beds) on the same campus are determined to be separate components	Potentially an IMD due to bed count. If deemed an IMD, held to a 15-day LOS maximum.	Potentially an IMD due to bed count. If deemed an IMD, held to a 15-day LOS maximum.
Setting 1 (≤ 16 beds) & Setting 2 (≤ 16 beds) on the same campus are determined to NOT be separate components	Potentially an IMD if total beds between the two components exceed 16. If deemed an IMD, held to a 15-day LOS maximum.	Potentially an IMD if total beds between the two components exceed 16. If deemed an IMD, held to a 15-day LOS maximum.
Setting 1 (> 16 beds) & Setting 2 (≤ 16 beds) on the same campus are determined to NOT be separate components	Potentially an IMD due to total bed count between the two components. If deemed an IMD, held to a 15-day LOS maximum.	Potentially an IMD due to total bed count between the two components. If deemed an IMD, held to a 15-day LOS maximum.
Setting 1 (> 16 beds) & Setting 2 (> 16 beds) on the same campus are determined to NOT be separate components	Potentially an IMD due to total bed count between the two components. If deemed an IMD, held to a 15-day LOS maximum.	Potentially an IMD due to total bed count between the two components. If deemed an IMD, held to a 15-day LOS maximum.

HCPF Criteria

For settings on a campus to be considered distinct for purposes of HCPF determining which facility/component(s) to assess for IMD status, the service settings must not meet IMD criteria individually and must be operated as independently as possible. Settings on a campus must meet, at minimum, all the following criteria to be considered a separate component for purposes of the IMD assessment.

- **LICENSURE** Each component on the campus must have separate, distinct license types or BHA endorsements.
- **MEDICAID PROVIDER ENROLLMENT**: Each component on a campus must be separately enrolled as a distinct Medicaid provider.
- **STAFFING**: While shared staffing would not be prohibited, each facility must ensure sufficient staffing is maintained to meet applicable licensure requirements for each component as well as a stable milieu in each context.
- **PROGRAMMING**: Each component on a campus must maintain distinct programming that includes operational policies and procedures, program schedules/routines.

Following are some examples of service arrays on a campus and whether they could potentially be assessed as separate components.

Campus Service Array Scenario	Separate Licensure or BHA Endorsement?	Separate Medicaid Provider Enrollment?	Potential Opportunity to be Assessed as Separate Component?
Qualified Residential Treatment Facility (QRTP) & Crisis Stabilization Unit (CSU)	✓	✓	✓
Psychiatric Residential Treatment Facility (PRTF) & CSU	✓	✓	✓
PRTF & QRTP	✓	✓	✓
Psychiatric Hospital & QRTP	✓	✓	✓
Psychiatric Hospital & PRTF	✓	✓	✓
Psychiatric Hospital & CSU	✓	✓	✓
Nursing Facility & Adult Mental Health Transitional Living Home	✓	✓	✓
Nursing Facility & CSU	✓	✓	✓
SUD Residential Facility & CSU	✓	✓	✓

FOR MORE INFORMATION CONTACT

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