



# Institutions for Mental Disease: Member Enrollment Processing

*July 2023*

## Background

Section 1905(i) of the Social Security Act (the Act) and 42 CFR § 435.1009 define an institution for mental diseases (IMD) as a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services. Psychiatric hospitals (including State, private, and county-operated psychiatric hospitals) with more than 16 beds are IMDs.

Regulations at 42 CFR § 435.1008 and 441.13 preclude federal Medicaid funding for any services to residents under the age of 65, who are in an IMD, except for inpatient psychiatric services provided to individuals under the age of 21 and, in some instances, under the age of 22.

In 2016, the federal Medicaid managed care regulations were revised to allow Medicaid agencies with a capitated managed care program to make monthly capitation payments for members receiving IMD services as an in lieu-of service for no more than 15 days during the month. If a member is in an IMD longer than 15 days within the capitation month, the Department cannot claim federal financial participation for any Medicaid services while the member is a resident in the IMD during that month.

## Accountable Care Collaborative Enrollment Policy

As a general rule, all full-benefit Medicaid members are mandatorily enrolled into the Accountable Care Collaborative (ACC), with few exceptions. The vast majority of members are enrolled into the program on the same day that an eligibility determination is received in the Colorado interChange (iC) from the Colorado Benefit Management System (CBMS).

As IMD services can only be covered through a managed care capitation payment, the Department of Health Care Policy & Financing's (Department) policy is to allow retroactive enrollment for up to 90 days when a member received IMD services within



that time period.



Members must meet the following criteria to be eligible for retroactive enrollment:

- The IMD notifies the Department that a member recently determined eligible for Medicaid received IMD services prior to the member's enrollment in a Regional Accountable Entity (RAE);
- The member's eligibility effective date is set for the date of admission to an IMD or a date prior to the admission; *and*
- The IMD service was provided within 90 days prior to the member's enrollment to the RAE.

## Processing Member Enrollment

### IMD Responsibility

When a member who is not enrolled with a RAE is identified, the IMDs must notify the Department once it is determined that the member is eligible for Health First Colorado (Colorado's Medicaid Program.) IMDs will communicate this information using the following process:

1. Establish a point of contact and at least one backup within the IMD facility to help facilitate processes related to member enrollment into the ACC.
2. Complete the IMD RAE Retro Enrollment Request Form located on the Department's [external IMD SharePoint site](#). This form will be completed for individuals who were not enrolled with a Regional Accountable Entity prior to admission to the IMD. If you need access or have additional questions, please contact [tim.gaub@state.co.us](mailto:tim.gaub@state.co.us).
3. Submit the member information to the Department within 30 days of a member's discharge from the IMD using the approved IMD Enrollment Request Form.
4. Submit a request for payment to the member's RAE in accordance with the RAE's utilization management policies and procedures.

### Department Responsibility

Upon receipt of a completed Member record in the IMD RAE Retro Enrollment Request Form, the Department will review and process retroactive enrollments within Colorado iC for all members who meet the Department's ACC Enrollment Policy criteria.

Retroactive enrollments will be processed within five business days of receipt of the Member record in the IMD RAE Retro Enrollment Request Form.



The Department will process retroactive enrollments in the following manner:

1. Verify the member's Medicaid eligibility during the dates of service reported by the IMD.
  - a. If the member was not eligible for Medicaid during the dates of service, no action will be taken.
2. Verify that the IMD dates of service occurred during the timeframe established in the ACC Enrollment Policy for retroactive enrollment.
  - a. If the IMD dates of service are not during the timeframe established for retroactive enrollment, no action will be taken.
3. Create enrollments within Colorado iC for both a RAE and a Primary Care Medical Provider (PCMP) with an enrollment begin date equal to the date of admission to the IMD, but not greater than 90 days prior to any existing enrollment.
  - a. If a member has an active enrollment with a RAE and PCMP within Colorado iC that begins after the date of admission to the IMD, a new enrollment will be created with an enrollment begin date equal to the date of admission to the IMD and an enrollment end date equal to the day prior to the current enrollment start date.
4. The Department will update the IMD RAE Retro Enrollment Request Form containing the member's newly created RAE enrollment information or reasons for denial consistent with the criteria outlined above.
5. The RAE may receive a retroactive capitation payment for any member enrollments that meet the retroactive payment parameters.
  - a. If a member was in residency for more than 15 days during a month in which the member was retroactively enrolled, the Department will process a recoupment through a separate process.

### **RAE Responsibility**

The RAE will have responsibility for managing a member's care upon the member's date of enrollment with the RAE, regardless of whether the enrollment date was established retroactively or not. The RAE is responsible for adhering to contractual responsibilities for members, including administering the capitated behavioral health benefit which comprises managing member utilization of IMD services. The RAE will review the IMD stay in accordance with its published utilization management procedures and reimburse the IMD as appropriate.



**For more information contact**

Tim Gaub, [tim.gaub@state.co.us](mailto:tim.gaub@state.co.us)

Carly Torres, [carly.donohue-torres@state.co.us](mailto:carly.donohue-torres@state.co.us)

[hyperlink](#)

