



STATE OF MARYLAND

DHMH

Maryland Department of Health and Mental Hygiene

Larry Hogan, Governor - Boyd K. Rutherford, Lt. Governor - Van T. Mitchell, Secretary

August 24, 2015

Dear Colleague:

We are writing to bring to your attention recent changes to the Department of Health and Mental Hygiene's (the Department) process for admitting adult psychiatric patients to Institutions for Mental Diseases (IMDs) within the Public Behavioral Health System.

For the past three years, the Department has participated in a Medicaid Emergency Psychiatric Demonstration that made Medicaid funds available to private free standing psychiatric hospitals (IMDs) for emergency inpatient psychiatric care provided to Medicaid enrollees aged 21 to 64.¹ These IMDs include, but are not limited to, Sheppard Pratt, Adventist Behavioral Health, and Brook Lane.

This three-year federal demonstration ended on June 30, 2015, and effective July 1, 2015, all adult psychiatric admissions to IMDs must now be paid with state general funds only. The state general funds budgeted for adult admissions to IMDs is significantly lower than the cost projected for fiscal year 2016. Therefore, for all adults presenting to an acute care general hospital Emergency Department (ED), in need of an inpatient psychiatry admission, every effort will be made to admit the individual to an Acute Care General Hospital. To accomplish this, all acute care general hospitals will be instructed to participate in and use the Maryland Psychiatric Bed Registry. All EDs will need to use the Bed Registry to find the nearest acute care general hospitals with an open psychiatric bed and coordinate the admission with the receiving hospital and VO. Please advise your admissions department to work collaboratively with acute care general hospitals and VO to divert Medicaid admissions to any open acute care general hospital psychiatry unit bed, whenever possible.

If the ED is unsuccessful in admitting the patient to their own or another acute care general hospital using the Bed Registry, the ED must call no less than four (4) acute care general hospitals to find an open psychiatric bed prior to requesting authorization from VO for admission to an IMD. If these calls have not been completed, VO will instruct the ED to attempt to admit the patient to an acute care general hospital by making these calls before it will authorize admission to an IMD. Ultimately, admissions to IMDs will be considered as a last resort in situations where no community hospital psychiatric bed is available and emergency psychiatric inpatient treatment is indicated.

We understand that this change is difficult for these organizations. Please note that the Department is seeking a federal waiver from the IMD Exclusion. If approved by the Centers for Medicare and Medicaid Services (CMS), Maryland would have the ability to reimburse IMDS for the treatment of Medicaid enrollees aged 21-64 with acute psychiatric and substance-use-related needs and would receive federal

¹The Medicaid Emergency Psychiatric Demonstration was established under Section 2707 of the Affordable Care Act. The District of Columbia and 11 states, including Maryland were selected to participate in the Demonstration.

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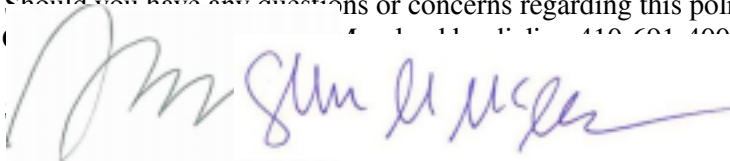
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matching dollars. A copy of the waiver application and supporting documentation can be accessed at:
<http://dhmh.maryland.gov/SitePages/IMD%20Exclusion%20Waiver.aspx>

Moreover, CMS is seeking public comment on Maryland's waiver application until September 11, 2015.
We encourage you to submit comments here:

<https://public.medicaid.gov/connect.ti/public.comments/viewQuestionnaire?qid=1878723>

Should you have any questions or concerns regarding this policy, please contact Dr. Zereana Jess-Huff,
(410) 601-4000 or Zereana.jess-huff@valueoptions.com.



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Deputy Secretary Deputy Secretary
Behavioral Health Health Care Financing