



Center for Medicaid and State Operations/ Survey and Certification Group

Ref: S&C-07-15

DATE: February 16, 2007

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Psychiatric Residential Treatment Facilities (PRTF) Clarification

Memorandum Summary

- Clarifies that a PRTF, as identified at 42 C.F.R. 483.352, is a separate, stand alone entity providing a range of comprehensive services to treat the psychiatric condition of residents on an inpatient basis under the direction of a physician.
- Reinforces that a PRTF resident population must meet all certification of need requirements as identified under 42 C.F.R. Part 441, Subpart D – Inpatient Psychiatric Services for Individuals Under Age 21 in Psychiatric Facilities or Programs.
- Reinforces that a PRTF is subject to survey and certification of the entire facility and must meet all requirements under Part 483, subpart G – Condition of Participation for the Use of Restraint or Seclusion in Psychiatric Residential Treatment Facilities.

Issue

There has been a recent influx of providers to become certified as PRTFs. Many of these facilities are residential treatment facilities (RTF) or residential treatment centers (RTC) that provide services to children who may need a variety of services, but who may not need the intensive services indicated for those who would be placed in a PRTF. This memo clarifies what is meant by Psychiatric Residential Treatment Facility and the nature of the services it provides for purposes of directing State surveyors.

Historical Development of Psychiatric Residential Treatment Facilities

The Social Security Amendments of 1972 amended the Medicaid statute to, among other things, allow States the option of covering inpatient psychiatric hospital services for individuals under age 21 (Psych under 21-benefit). Originally the statute required that the psych under 21-benefit be provided by psychiatric hospitals. In 1976 final regulations were published implementing the psych under 21-benefit. Section 4755 of the Omnibus Budget Reconciliation Act (OBRA '90) amended section 1905(h) of the Act to specify that the psych under 21-benefit can be provided in psychiatric hospitals that meet the definition of that term in section 1861(f) of the Act "or in another inpatient setting that the Secretary has specified in regulations."

This amendment affirmed and effectively ratified preexisting CMS policy, as articulated in subpart D of 42 C.F.R. part 441, which interpreted sections 1905(a)(16) and 1905(h) of the Act as not being limited solely to psychiatric hospital settings. OBRA '90 provided authority for CMS to specify inpatient settings in addition to the psychiatric hospital setting for the psych under 21-benefit. In 2001, CMS established PRTFs as a new category of Medicaid facility, and as an additional setting for which the psych under 21-benefit can be provided. (See interim final regulations, 66 FR 28111).

PRTF defined – what does it look like?

A PRTF is a separate, stand alone entity providing a range of comprehensive services to treat the psychiatric condition of residents on an inpatient basis under the direction of a physician. The purpose of such comprehensive services is to improve the resident's condition or prevent further regression so that the services will no longer be needed. Current regulation, §483.352, states that a PRTF means "a facility other than a hospital, that provides psychiatric services, as described in subpart D of part 441 of this chapter, to individuals under age 21, in an inpatient setting."

A PRTF means....

1. "A facility other than a hospital..."

"Facility" means a distinct, stand alone entity providing a range of needed services to a distinct population. A PRTF is to provide a less medically intensive program of treatment than a psychiatric hospital or a psychiatric unit of a general hospital.

2. "...that provides psychiatric services, as described in subpart D of part 441 of this chapter..."

Pursuant to §483.352, the PRTF must meet all the requirements identified in subpart D, which include: State accreditation (§441.151), certification of need for the services (§441.152), the team certifying need for services (§441.153), active treatment (§441.154), components of an individual plan of care (§441.155), and the team involved in developing the individual plan of care (§441.156) (see appendix A for full language). The way a PRTF organizes itself is critical to its success in complying with federal regulations.

3. "...to individuals under age 21..."

In this case regulations at §441.151 specify that the service must be provided before the individual reaches 21, or if the individual was receiving services just prior to turning 21, and that the services must cease at the time the individual no longer requires services or the date at which the individual reaches 22. To further clarify this point regulations at §483.352 define minor as "defined under State law and, for the purpose of this subpart, includes a resident who has been declared legally incompetent by the applicable State court."

4. "...in an inpatient setting."

It is the intent of both the psych under 21-benefit and the PRTF regulations that to meet the level of certification of need in §441.152 "(1) ambulatory care resources do not meet the treatment

needs of the resident and that according to §441.152 “(2) proper treatment of the resident’s psychiatric condition requires services on an inpatient basis under the direction of a physician; and (3) the services can reasonably be expected to improve the resident’s condition or prevent further regression so that the services will no longer be needed.” As CMS clarified in the 2001 interim final rule (66 FR 28111); payment for inpatient psychiatric services to individuals under age 21 includes the need for room and board as well as the provision of a comprehensive package of services.

PRTF services – who does it serve?

- All PRTF residents according to regulation must need inpatient services to treat his or her psychiatric condition under the direction of a physician and the services provided must be reasonably expected to improve the resident’s condition or prevent further regression so that the services will no longer be needed.
- The psych under 21-benefit is an optional Medicaid benefit. States can determine which psychiatric conditions would fall under this benefit and for which the State will reimburse payment for services rendered. For example, such diagnoses may include paranoid schizophrenia, post-traumatic stress disorder, depression, and/or hyperactivity-attention deficit disorder. Although what psychiatric conditions are covered may differ based on State determinations, (see appendix B), the federal requirements that are established in sections 441.150 through 441.156 must be applied consistently across all States.

PRTFs vs. Residential Treatment Facilities (RTFs) or Residential Treatment Centers (RTCs)

There has been a recent influx of RTFs/RTCs who request to become certified as PRTFs. RTFs or RTCs provide a mixed level of service to children who do not need the intensive services of a PRTF. To be certified as a PRTF, the facility must attest to meeting the Conditions of Participation (CoP) found at 42 C.F.R. Part 483 Subpart G, and attest that all its residents meet the certification of need requirements as identified under 42 C.F.R. Part 441, Subpart D – Inpatient Psychiatric Services for Individuals under Age 21 in Psychiatric Facilities or Programs, as discussed above.

The Social Security Act and federal regulations, expressly identify that services under the psych under 21-benefit can be provided in distinct parts found in psychiatric hospitals; however, a PRTF is not identified as a distinct part of another facility.

Any facility that wishes to be certified as a PRTF must adhere to the following:

1. Survey and Certification review of the entire facility:

Based on CMS standards and existing policy under CMS, the survey process described in the State Operations Manual (SOM), section 2714.1, states that:

The CoPs/Requirements apply to the entire certified provider/supplier and to all patients/residents being served by the certified entity, regardless of payment source unless stated otherwise in the regulations. This means that the surveyors may review the care of private pay patients/residents when surveying a Medicare/Medicaid approved provider or supplier. This policy is based on the premise that it is the provider or supplier

operation that is being approved, not just the beds of or care provided to Medicare/Medicaid beneficiaries. (The only exceptions involve regulatory distinction for Skilled Nursing Facilities, Nursing Facilities, Intermediate Care Facilities for the Mentally Retarded, and psychiatric hospitals).

2. Meet all federal requirements for a PRTF:

A. All PRTFs must meet the CoP requirements under:

- Part 483, subpart G – Condition of Participation for the Use of Restraint or Seclusion in Psychiatric Residential Treatment Facilities; and
- Providing Inpatient Psychiatric Services for Individuals Under Age 21, which includes Part 441, subpart D – Inpatient Psychiatric Services for Individuals Under Age 21 in Psychiatric Facilities or Programs.

B. All PRTFs must be accredited by organizations identified in 42 C.F.R. §441.151(a)(2)(ii).

- Joint Commission,
- The Commission on Accreditation of Rehabilitation Facilities,
- The Council on Accreditation of Services for Families and Children, or
- Any other accrediting organization with comparable standards recognized by the State.

Questions concerning this memo should be directed to Carla McGregor at 410-786-0663 or via e-mail at Carla.mcgregor@cms.hhs.gov.

Effective Date: Immediately. The SA should disseminate this information within 30 days of the date of this memorandum.

/s/

Thomas E. Hamilton

Enclosure:

Appendix A: Part 441, Subpart D – Inpatient Psychiatric Services for Individuals Under Age 21 in Psychiatric Facilities or Programs, §§ 441.150-441.156.

Appendix B: Summation by State – State level criteria for persons seeking services under the Inpatient Psychiatric Services for Individuals Under Age 21 (Psych Under 21-benefit).

cc: Survey and Certification Regional Office Management (G-5)
Medicaid Regional Office Management
State Medicaid Directors