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|  <p style="text-align: center;"><b>County of Sacramento</b><br/> <b>Department of Health Services</b><br/> <b>Division of Behavioral Health Services</b><br/> <b>Policy and Procedure</b></p> | Policy Issuer (Unit/Program)      | <b>QM</b>         |
|  | Policy Number                     | <b>QM-01-08</b>   |
|  | Effective Date                    | <b>02-23-2000</b> |
|  | Revision Date                     | <b>01-01-2020</b> |
| Title:<br><b>Inpatient Hospitalization Treatment Authorization Requests</b>  | Functional Area:<br><b>Access</b> |                   |
| Approved By: (Signature on File) <b>Signed version available upon request</b>  |                                   |                   |
| <b>Alexandra Rechs, LMFT</b><br>Program Manager, Quality Management  |                                   |                   |

**BACKGROUND/CONTEXT:**

The Sacramento County Mental Health Plan (MHP) is dedicated to providing timely authorization of inpatient hospitalization when medical necessity warrants an inpatient admission for the stabilization and protection of its beneficiaries. Additionally, the MHP is dedicated in the prompt and effective resolution of problems that beneficiaries or providers encounter while participating in the MHP.

**PURPOSE:**

The purpose of this Policy and Procedure is to outline the process for Inpatient Treatment Authorization Requests (TAR) and Universal Billing 04 (UB-04) to be processed in a timely manner and to insure continuity of care at the appropriate service level. This procedure outlines the beneficiary and provider appeal processes when an authorization is denied or modified.

**DETAILS:**

**I. Process for Payment Authorizations**

- A. Payment Authorization for Sacramento County's Psychiatric Inpatient Hospitals.  
 The designated "Point of Authorization" (POA) is the County Inpatient Utilization Review/Case Manager and is a licensed mental health professional.

| <b>Adult POA (Beneficiary age 22↑)</b>   | <b>Child POA (Beneficiary 0-21)</b>  |
|--|--|
| Phone: (916) 875-5616  | Phone: (916) 875-5616  |
| Mailing Address:<br><b>Attention: Adult POA</b><br>7001-A East Parkway, Suite #800<br>Sacramento, CA 95823 | Mailing Address:<br><b>Attention: Child POA</b><br>7001-A East Parkway, Suite #800<br>Sacramento, CA 95823 |
| Fax Number: (916) 875-1279 main<br>Email: DHSQMIpatient@saccounty.net                                      |  |

- B. Authorization for Payment for Emergency Admissions  
 Emergency admissions, whether voluntary or involuntary, are exempt from pre-authorization requirements, as outlined in CCR, Title 9, Chapter 11, §1820.225(a).

1. The provider is to notify Sacramento County's POA of the beneficiary's hospital admission within 24 hours of admission. If the Sacramento County psychiatric hospital provider cannot determine the beneficiary's county of residence, Sacramento County's POA is to be notified prior to arbitrarily assigning Sacramento County residency. If a beneficiary is

Presumptive Transfer to Sacramento, Sacramento County is responsible for the Acute Psychiatric Inpatient stay.

2. For all hospitalizations, whether occurring in Sacramento County or out-of-county, a TAR or UB-04 requesting payment authorization for emergency admission and a copy of the clinical chart are to be submitted to the County Utilization Review/Case Manager no later than 14-calendar days following discharge.
3. Sacramento County will authorize payment for services received pursuant to the emergency admission if the clinical record documents that:
  - a) Medical necessity criteria are met as outlined in CCR, Title 9, Chapter 11, §1820.205(b).
  - b) The criteria for an emergency psychiatric condition was met at the time of admission.
  - c) The Sacramento County POA was notified by the provider within 24 hours of admission.
4. All adverse decisions based on medical necessity or the criteria for emergency admissions are reviewed and approved by a physician. Providers may appeal adverse decisions through the provider appeals process outlined in the QM Problem Resolution Process No. 03-01. (See Attachment A TAR Denial Worksheet)
5. A TAR or UB-04 can be denied by Sacramento County MHP if it is not submitted in accordance with these procedures. Retroactive authorization may be granted if the provider supplies documentation to substantiate the claim. Under the current (20-21) IMD Contract, Retroactive authorization is not included.

C. Payment Authorization for Planned Admissions

Pre-authorization by the POA in coordination with either the Sacramento County Mental Health Treatment Center Medical Director (for Adult planned admissions) or Children's Medical Director (for Children's planned admissions) is required for all planned admissions.

1. A Treatment Authorization Request (TAR) for planned admissions must be accompanied by a clinical summary/assessment detailing why the physician believes hospitalization is necessary and a lower level of care is not appropriate. If possible, the MHP should have a contract in place with the admitting facility (see CCR, Title 9, Chapter 11, §1820.200(e)). Requests for planned admissions are to be submitted to Sacramento County's POA who will work in coordination with the MHP's respective Medical Director(s) or his/her designee for inpatient Medical Necessity determination.
2. The inpatient Medical Necessity assessment prepared by the respective Medical Director or his/her designee for determination of inpatient Medical Necessity will be submitted to the appropriate POA upon its completion.
3. If inpatient Medical Necessity criteria (CCR, Title 9, Chapter 11, §1820.205) is met for psychiatric inpatient hospital services, the POA will approve the TAR, giving initial pre-authorization for payment for a specific number of days not to exceed 5 calendar days. The POA will notify the planned admission requestor within 14-calendar days of the receipt of the request of the MHP's decision.
4. Planned inpatient admissions may be authorized up to 7-calendar days in advance of the admission (CCR, Title 9, Chapter 11, §1777).
5. The POA will be the point of contact for coordinating a concurrent review with the hospital for review of continued medical necessity criteria.
6. No more than 99 calendar days will be approved on one TAR.

7. All adverse decisions based on medical necessity or the criteria for emergency admissions are reviewed and approved by a physician. Providers may appeal adverse decisions through the provider appeals process outlined in the QM Problem Resolution Process No. 03-01. (See Attachment A TAR Denial Worksheet)
  8. A TAR can be denied by the Sacramento County MHP if it is not submitted in accordance with these procedures.
  9. The same authorization procedures apply to both contracted and non-contracted hospitals.
- D. Authorization for Payment for Continued Stay Services
1. TARs for continued stay services can be submitted to the Sacramento County MHP under the following conditions:
    - a) When the beneficiary is still in the hospital at the time of the request.
    - b) Or, up to 14-calendar days after discharge from the hospital.
  2. For hospitalizations occurring in Sacramento County, payment authorization can be obtained through submittal of a TAR to the Sacramento County POA. Clinical notes in the medical record must document the need for continued stay and the current discharge plan. Copies of clinical notes in the medical record must be submitted to Sacramento County's POA upon request.
  3. All adverse decisions based on medical necessity or the criteria for emergency admissions are reviewed and approved by a physician. Providers may appeal adverse decisions through the provider appeals process outlined in the QM Problem Resolution Process No. 03-01. (See Attachment A TAR Denial Worksheet)
- E. Authorization for Administrative Day Services for all Hospital Providers  
Administrative Day Services can only be authorized after the beneficiary previously met medical necessity requirements for reimbursement of Acute Psychiatric Inpatient Hospital services. In order to substantiate the authorization for administrative day services, the provider, Sacramento County social worker or probation officer is responsible for contacting at least a minimum of five appropriate non-acute treatment facilities per week within a 60-mile radius. If there are fewer than five appropriate non-acute residential treatment facilities available as a placement option for the beneficiary, then less than five contacts is acceptable; however, no less than one contact per week will be documented until a beneficiary is placed or no longer requires that level of care. Every contact is to be documented in the beneficiary's status with a brief description that includes the date of contact, the status of the placement option and the signature of the person making the contact. The hospital provider is responsible for documenting these required contacts in the chart regardless of source. The County Utilization Reviewer/Case Manager is responsible for monitoring the beneficiary's chart weekly to determine if the beneficiary's status has changed.
- F. Denial of Services
1. If the medical necessity criteria are met for acute psychiatric inpatient hospital services, the Sacramento County POA will approve or deny the TARs or UB-04s within 14 calendar days of receipt. The POA will notify the hospital provider of this decision no later than 14 calendar days of approval or denial.
  2. If a TAR is denied based on medical necessity or the criteria for emergency admission, the documentation will be reviewed by a physician for final determination. The County Utilization Reviewer will prepare the appropriate documentation and initiate the Denial Worksheet (see attachment) for the physician to review.

3. Adult TAR denials will be reviewed by the Mental Health Treatment Center Medical Director and Child TAR denials will be reviewed by the Children's Medical Director- in either case the TAR Denial Worksheet is to be completed (see Attachment A).
4. No more than 99 calendar days will be approved on one TAR.
5. A TAR or UB-04 can be denied by the Sacramento County POA if it is not submitted in accordance with these procedures.
6. The POA will provide a copy of the authorized or denied TAR to the provider.
7. If TAR is denied, a Notice of Adverse Benefit Determination (NOABD) will be mailed to the last known address of the beneficiary. TAR Denial will serve as the notification to the provider including the right to appeal pursuant CCR 1850.315 and 1850.320

## II. Problem Resolution Appeal Process

The Sacramento County MHP has developed a problem resolution process that enables a beneficiary or a provider to resolve grievances and appeals about any psychiatric inpatient hospital service-related issue. See QM Problem Resolution Process No. 03-01.

- A. The first level of appeal for a TAR denial may be submitted to the County Quality Management Problem Resolution. A copy of the medical record in question must be submitted with a letter specifying the appeal issue. Providers can appeal adverse decisions to:

Quality Management Services-Appeals Department  
 Sacramento County MHP  
 7001-A East Parkway, Suite #300  
 Sacramento, CA 95823  
 Phone: (916) 875-0836 Fax: (916) 875-1279

- B. A clinician who was not involved in the initial review will review the medical record documentation to approve or deny the appeal for medical necessity, as outlined in the QM Problem Resolution Process No. 03-01. (see Attachment B)
- C. No provision of the Sacramento County MHP Beneficiary Problem Resolution Process should be construed to replace or conflict with the duties of the County Patients' Rights Advocates, designated in Welfare and Institutions Code, Section 5500.
- D. Providers may refer clients to the Patient's Rights advocate by contacting:

Office of Patients' Rights  
 1851 Heritage Lane, Suite 187  
 Sacramento, CA 95815  
 (916) 333-3800

- E. A hospital may have its own grievance processes. A beneficiary has access to the hospital's processes as well as those provided by the Sacramento County MHP.
- F. If the first level of appeal is challenged by the hospital provider, the hospital provider may take his/her appeal to a second level of appeal with the State Department of Health Care Services as outlined in DMH Letter No. 03-07.

### **III. Notice Of Adverse Benefit Determination (NOABD)**

- A. Written notice (the Notice of Adverse Benefit Determination or NOABD) must be given to the provider and the beneficiary of services when there is an action involving a termination, the perceived denial of a planned admission, or the suspension or reduction of eligibility for covered services. The Sacramento County MHP Utilization Reviewer/Case Manager POA is responsible for providing inpatient NOAs when indicated. See QM NOA policy No. 02-01.
- B. Either the Hospital or the Fee for Service Provider may appeal an adverse decision by contacting the QIC Grievance Committee.
- C. If the contracted Fee for Service provider is dissatisfied with the decision of the QIC Grievance Committee, the Fee for Service provider may invoke the appeal process as specified in their contract with the MHP. If the Fee for Service provider is not contracted with the MHP, he/she may appeal to the Mental Health Director. All decisions by the Mental Health Director are final.
- D. When an appeal to the MHP is ruled in favor of the provider regarding a fiscal issue, payment authorization will be forward to EDS (for hospitals) or Fiscal (for Fee for Service Providers) within 14-calendar days of receipt of the resubmitted TAR or CMS-1500.
- E. When an appeal, which concerns non-approval or modification of an MHP payment authorization for mental health services provided in an emergency, is denied in full or in part by the MHP's appeal process on the basis that the hospital provider did not comply with the required timelines of notification or submission of the MHP payment request or that the medical necessity criteria were not met, the hospital provider may submit a second level treatment authorization requests (TAR) appeal review of the denial or modification to the California Department of Health Care Services (DHCS) in accordance with CCR Title 9, Chapter 11, §1850.305 and DMH Letter No.: 03-07.

#### **REFERENCES:**

- Title 42, CFR, §438.114 (d)(ii)
- CCR, Title 9, Division 1, Chapter 3, Article 6
- CCR, Title 9, Division 1, Chapter 11, Subchapter 2 & 4 §1820.215, §1820.220 and §1820.225
- CCR, Title 9, Division 1, Chapter 10, Article 4, §1770
- DMH Letters No. 03-07 and 03-08
- CCR, Title 9, Chapter 11, §1770

#### **ATTACHMENTS:**

- Attachment A TAR Denial Worksheet
- Attachmetn B TAR Denial Appeal Worksheet

#### **RELATED POLICIES:**

- MHTC P&P 04-02 Designation Policy
- QM No. 02-01 Notices of Action
- QM No. 03-01 Beneficiary Protection

**DISTRIBUTION:**

| <b>Enter X</b> | <b>DL Name</b>                 | <b>Enter X</b> | <b>DL Name</b>                                    |
|----------------|--------------------------------|----------------|---|
| <b>X</b>       | Mental Health Staff            | <b>X</b>       | Children's Contract Providers                     |
| <b>X</b>       | Mental Health Treatment Center |                | Substance Use, Prevention, and Treatment Services |
| <b>X</b>       | Adult Contract Providers       | <b>X</b>       | Specific grant/specialty resource                 |

**CONTACT INFORMATION:**

- Quality Management Information  
[QMInformation@SacCounty.net](mailto:QMInformation@SacCounty.net)

## TAR Denial Worksheet

|                          |                        |                 |             |
|--------------------------|------------------------|-----------------|-------------|
| <u>Client Last Name:</u> | <u>First Name:</u>     | <u>AVATAR#:</u> | <u>DOB:</u> |
| <u>Hospital:</u>         |                        |                 |             |
| <u>Admit Date:</u>       | <u>Discharge Date:</u> | <u>LOS:</u>     |             |

**QM Reviewer's Recommendations:**

|   |               |                   |
|---|---------------|-------------------|
| <u>Medical Necessity Criteria Met:</u>  | <u>Dates:</u> | <u># of Days:</u> |
| <u>No Documented Medical Necessity:</u> | <u>Dates:</u> | <u># of Days:</u> |

Comments:

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|---|---------------------------|
| <u>QM Reviewer's Name:</u> (Please Print) | <u>Date of QM Review:</u> |
|---|---------------------------|

**Medical Review and Recommendations:**

Review Findings by MD/DO:

- Agree with QM recommendations as listed above.
- Disagree

MD Comments for Disagreement:

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|-------------------------------------|------------------------------|
| <u>MD/DO's Name:</u> (Please Print) | <u>Date of MD/DO Review:</u> |
| <u>MD/DO's Signature</u>            |                              |

## TAR Denial Appeal Worksheet

|                          |                        |                 |             |
|--------------------------|------------------------|-----------------|-------------|
| <u>Client Last Name:</u> | <u>First Name:</u>     | <u>AVATAR#:</u> | <u>DOB:</u> |
| <u>Hospital:</u>         |                        |                 |             |
| <u>Admit Date:</u>       | <u>Discharge Date:</u> | <u>LOS:</u>     |             |

**QM Reviewer's Recommendations:**

|   |               |                   |
|---|---------------|-------------------|
| <u>Medical Necessity Criteria Met:</u>  | <u>Dates:</u> | <u># of Days:</u> |
| <u>No Documented Medical Necessity:</u> | <u>Dates:</u> | <u># of Days:</u> |

Comments:

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|---|---------------------------|
| <u>QM Reviewer's Name:</u> (Please Print) | <u>Date of QM Review:</u> |
|---|---------------------------|

**Medical Review and Recommendations:**

Review Findings by MD/DO:

- Agree with QM recommendations as listed above.
- Disagree

MD Comments for Disagreement:

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|-------------------------------------|------------------------------|
| <u>MD/DO's Name:</u> (Please Print) | <u>Date of MD/DO Review:</u> |
| <u>MD/DO's Signature</u>            |                              |