

Department of Public Health  
and Human Services

Section:  
RESIDENTIAL MEDICAL FACILITIES

FAMILY RELATED MEDICAID

Subject:  
Intermediate Care/Psychiatric  
Residential Treatment

**Supersedes:** FMA 1202-1, 09/01/98

► **References:** 42 CFR 435.211, .222(a)(4), .712, .725 and .1009; ARM 37.82.101, .1310, .1312, and .1320

GENERAL RULE--Individuals under age 21 receiving treatment as inpatients in intermediate care facilities (including those who serve the mentally retarded) or psychiatric residential treatment facilities are eligible for Medicaid if:

- 1. The institution is certified for Medicaid or has an agreement with the Addictive and Mental Disorders Division (AMDD) to be a Montana Medicaid provider of psychiatric residential treatment;
- 2. The individual meets all non-financial criteria (citizenship, Montana residency, etc.);
- 3. The individual is receiving psychiatric services in a residential treatment setting, and is:
  - a. under the court ordered jurisdiction of DPHHS, or
  - b. a ward of the tribal court and under the supervision of:
    - i. an Indian tribe,
    - ii. BIA or
    - iii. the State of Montana;
- 4. The value of the individual's countable resources is below the resource standard of \$3,000; and
- 5. The individual's gross income, less applicable disregards, is less than the cost of care at the facility.

Medicaid eligibility does not ensure payment of inpatient psychiatric services. The mental health managed care contractor must also prescribe "Medical necessity". Admitting facility has the current admission requirements.

- **NOTE:** Children under age 19 may be eligible for Medicaid coverage while residing in the above facilities even if their placement is not court-ordered. The child's eligibility is

determined under any other appropriate Medicaid program (MA-PC, PS, RK, FM). If the child is placed in the facility by their parent, and the child remains in the parent's custody, their parent's income and resources must be considered when determining the child's Medicaid eligibility. The child may be eligible under a medically needy program.

► **INCOME  
DEDUCTIONS**

When determining the child's liability for cost of care, disregard the following from the gross monthly income:

1. Up to \$65 of gross earned income;
2. \$40 personal needs allowance;
3. Monthly health insurance premium and/or co-payments;
4. A home maintenance allowance (if applicable);
5. A family maintenance allowance (if applicable);
6. Monthly costs of necessary medical or remedial care which:
  - a. were incurred during the three months prior to application;
  - b. were unpaid at the time of application; and
  - c. are not payable by Medicaid or a third party.

All remaining income must be applied toward the cost of care at the facility.

► **FAMILY  
ALLOWANCE**

The maximum maintenance needs allowance for each additional dependent family member is equal to one-third of the difference between the basic needs standard of **\$1604** and the family member's gross income.

The family income maintenance allowance must be manually calculated. Enter the allowance on the TEAMS expense (EXPE) screen under code 'FD' against the institutionalized child.

► **HOME  
MAINTENANCE**

The home maintenance allowance is the Medically Needy Income Level (MNIL) for one, and is allowed in the following situations:

1. the child entered the facility from the community (including entering from a hospital stay, if the individual entered the hospital from the community) after the first day of the month; or

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2. the child is a single individual who is intending to return to the community (even if there are no verifiable housing expenses during the individual's institutionalization); or

**NOTE:** A physician must certify that the resident will return home within six months of entry. This disregard is initially allowed for a maximum of three months of continuous stay in the facility (including the month of entry), with the possibility of a three-month extension, based on a renewed physician's statement in the third month of institutionalization. Intent and medical feasibility must be established upon entry into the facility. If an individual is discharged to return home (not for a visit, medical treatment, or vacation) and remains out of the facility for one full day or more, a new six-month period during which the home maintenance allowance is available may be established, if requested and accompanied by a new physician's statement.

3. the child leaves the facility before the last day of the month to reestablish residence in the community.

## PROCEDURE

**Parent/Guardian/  
Probation/Social Wkr**

1. Complete an HCS-250, "Application for Assistance"; provide required verification/documentation.

**Eligibility Case Mgr**

2. Compare value of individual's resources to the \$3000 resource standard.
3. Determine the individual's gross monthly income.

**NOTE:** Consider support from the parent(s) as income only when actually contributed.

4. Determine income amount to be applied toward cost of care. Allow appropriate deductions.
5. Document system case notes. Include verification/documentation of all non-financial and financial eligibility criteria. Place a copy of the court order giving custody/jurisdiction of child to DPHHS, BIA, Indian tribe or State of Montana in the case file. Verify facility is a Montana Medicaid provider as a residential treatment facility or intermediate care facility.



**NOTE:** A court order, and all criteria listed on page 1 of this section are conditions of eligibility for children aged 19 or 20 who are receiving psychiatric services in an institution.

6. Determine eligibility, enter a nursing home code and span on NUHS screen, and authorize if eligible.

**NOTE:** Open as MA-ID

7. Notify the applicant and the facility of determination

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