

April 11, 2025

Appropriate Access to Residential Treatment for Behavioral Health Needs for Children in Medicaid

Review of draft chapter

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Medicaid and CHIP Payment and Access Commission

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Overview

- Background
- Review components of the chapter
 - Medicaid coverage of residential treatment services
 - Referrals to residential treatment
 - Use of residential treatment services
 - Out-of-state placements
 - Continuum of care
 - Barriers
- Next steps



Background

- These services are just one part of the continuum of care
- Residential treatment services are intended to provide intensive clinical treatment to children with severe emotional disturbance or co-occurring conditions who cannot be treated at home
- Certain indicators of behavioral health needs are worsening
 - Persistent feelings of sadness or hopelessness, seriously considering suicide
 - Emergency department visits
 - Emergency department boarding

Medicaid Coverage of Residential Treatment Services

- Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)
- Institution for mental disease (IMD) exclusion
- Exceptions to the IMD exclusion
 - Psych under 21 benefit
 - Section 1115 demonstrations for adults with severe mental illness (SMI) and children with severe emotional disturbance (SED)
- Psychiatric residential treatment facilities (PRTF)
- Qualified residential treatment programs (QRTP)

Referrals to Residential Treatment

- Providers (e.g., mobile crisis, urgent care, home- and community-based behavioral service providers)
- Child welfare agencies
- Emergency departments
- Courts
- Custody relinquishment to child welfare or the juvenile justice systems
- Parental agreement with a child welfare agency

Use of Residential Treatment Services

- Lack of a single, federal data source on the use of residential services results in varying national estimates
 - States are only required to collect and report information on PRTFs
 - Researchers use disparate data source and methodologies
- State-level estimates provide some insight but are not comparable due to different data collection methods
 - Trends vary by state
- Data and information on beneficiary demographics and facilities are incomplete or unavailable
- Federal rules require assessing the need for PRTF and QRTP care, but do not require evaluating decision to admit or deny admissions

Out-of-State Placements

- May be necessary if in-state facilities lack capacity or expertise to meet a beneficiary's behavioral health needs, or deny admission, but are a last resort
- No national data source on out-of-state placements
 - PRTF annual attestation statements are mandatory and provide some information
- Payment rates create incentives for facilities to serve children from out-of-state

Continuum of Care

- Access to home- and community-based behavioral health services affects access to residential treatment services
- Previous MACPAC recommendation calls for the Secretary of the Department of Health and Human Services to direct CMS, Substance Abuse and Mental Health Services Administration (SAMHSA), and the Administration for Children and Families (ACF) to issue joint subregulatory guidance and provide education and technical assistance to states on improving access to home- and community-based behavioral health services
- State approaches: targeted case management (TCM) benefit, concurrent service delivery, increased provider payment

Barriers to Appropriate Access to Residential Treatment

- Lack of available home- and community-based behavioral health services
- IMD exclusion
- Lack of information on facility and bed availability
- Disparate assessment requirements
- Lack of a single national data source on beneficiaries using residential treatment
- Workforce issues

Next Steps

- Finalize chapter for the June 2025 report to Congress
- Ongoing MACPAC examination
 - Access to home- and community-based behavioral health services
 - Safety and quality of residential treatment services

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