

2422.10.10 Certification of Need/Inpatient Psychiatric Care

For individuals under the age of 21 **or aged 65 and older** to be eligible for Medicaid **reimbursement of inpatient psychiatric hospital and psychiatric residential treatment facility services** in a Medicaid-certified psychiatric facility, an approved **prior authorization (PA) certification of need**, the **Form 1261A, Certification Plan of Care for Inpatient Psychiatric Hospital Services**, is required. ~~If the Plan of Care is disapproved for an applicant/recipient, the individual is ineligible for Medicaid while residing in the facility. For individuals aged 65 and older to be eligible for Medicaid reimbursement of inpatient psychiatric services, an approved Form 1261A is required; however, such an individual is eligible for all other Medicaid services while residing in the psychiatric facility. The PA contractor determines whether a PA request is approved, based on medical necessity and administrative criteria.~~

The facility is responsible for the completion and submission of the ~~Form 1261A~~ **prior authorization request** to the appropriate reviewing authority. State facilities submit the ~~Form 1261A~~ **PA request** to the **IHCP office Medical Review Team, Office of Medicaid Policy and Planning**; privately owned facilities submit the **PA request Form 1261A** to the **appropriate** prior authorization ~~unit of the Medicaid fiscal contractor~~ **based on the program assignment of the member**.

If a prior authorization request is disapproved for inpatient psychiatric hospital and psychiatric residential treatment facility services individuals described in 2422.10.05 ~~is~~ **may still be** eligible for all other Medicaid services, while residing in the psychiatric facility, **provided that all other financial and non-financial eligibility criteria are met**.

~~Following approval or disapproval of the plan of care, the original of the Form 1261A will be returned to the facility and a copy will be forwarded to the Local Office for retention in the case file. Copies of the signed Form 1261A are not to be forwarded to the Medical Review Team by the Local Office.~~

~~For individuals under age 21, facilities are instructed to submit the Form 1261A prior to the admission of a Medicaid recipient. Caseworkers are not to initiate case action until a copy of the approved or disapproved Form 1261A is received. If the Form 1261A is approved, an institution budget is to be completed. If the Form 1261A is disapproved, action to suspend Medicaid should be proposed if the recipient remains in the facility; if the recipient leaves the facility, eligibility is to be determined as appropriate, based on the new living arrangement.~~

~~For Medicaid applicants, facilities are instructed to submit the Form 1261A within 10 days after the applicant has been determined eligible for Medicaid. Therefore, caseworkers are to complete the application process in the usual manner, using post-eligibility budgeting procedures. If the Form 1261A is approved, no further case action is required. If the Form 1261A is disapproved, action to suspend should be proposed if the recipient remains in the facility. This is done by suspending the case on the case wrap up screen. Please refer to IEDSS Help function and search "incarceration". This guide contains information on Medicaid recipients who are admitted to a psychiatric facility and the steps to suspending the case. If the recipient leaves the facility, eligibility is to be determined as appropriate based on the new living arrangement.~~