



# MACOMB COUNTY

## COMMUNITY MENTAL HEALTH

Subject: <b>Utilization Management</b>	Procedure: <b>Prior Authorization and Concurrent Review Procedures for State Operated Inpatient Psychiatric Hospitals</b>	
Last Updated: <b>05/07/2025</b>	Owner: <b>Managed Care Operations</b>	Pages: <b>7</b>

### I. PURPOSE:

To define and describe the utilization management procedures for prior authorization and concurrent review for persons served admitted to a State Operated Inpatient Psychiatric Hospital and comparable levels of care.

### II. DEFINITIONS:

#### A. State Operated Inpatient Psychiatric Hospitals:

The State of Michigan operates four inpatient psychiatric hospitals: Caro Center, The Center for Forensic Psychiatry (CFP), Kalamazoo Psychiatric Hospital (KPH), and Walter Reuther Psychiatric Hospital (WRPH). Caro, KPH, and WRPH treat adults with Serious Mental Illness (SMI); WRPH also treats adolescents with Severe Emotional Impairments (SED); and CFP provides diagnostic services to the criminal justice system as well as psychiatric treatment for criminal defendants adjudicated incompetent to stand trial or acquitted not guilty by reason of insanity.

#### B. Incompetent to Stand Trial (IST):

A defendant to a criminal charge shall be determined to be incompetent to stand trial only if they are not capable of understanding the nature and object of the proceedings against them or are not capable of assisting in their defense in a rational manner due to their mental illness or intellectual/developmental disability. Their trial is delayed while they receive treatment until they are deemed to have regained mental competence to proceed.

#### C. Intensive Community Transition Services (ICTS):

Time-limited behavioral health services provided in licensed specialized residential settings with a provider agreement with the State of Michigan for eligible persons aged 18 years old and over that need intensive behavioral health services and supports and are at risk of significant functional deterioration without these services. ICTS programs are typically utilized as a step down or a diversion from admission to a State Operated Inpatient Psychiatric Hospital.

D. Not Guilty by Reason of Insanity (NGRI):

An affirmative defense to a prosecution of a criminal charge that the defendant was legally insane when they committed the acts constituting the offense. The person is legally insane if, because of a mental illness or intellectual/developmental disability, they lack substantial capacity to appreciate the nature and quality of the wrongfulness of their conduct or to conform their conduct to the requirements of the law.

E. Medical Necessity:

Determination that a specific service is medically (clinically) appropriate; necessary to meet needs; consistent with the person's diagnosis, symptomatology, and functional impairments; is the most cost-effective option in the least restrictive environment; and is consistent with clinical standards of care. The medical necessity of a service shall be documented in the individual plan of service (IPOS).

F. Psychiatric Residential Treatment Facilities (PRTF):

A non-hospital facility with a provider agreement with the State of Michigan to provide inpatient psychiatric hospital services for eligible persons aged 21 years old and under. PRTF programs provide comprehensive mental health treatment to children and adolescents who, due to mental illness, need treatment that can most effectively be provided in a residential treatment facility. PRTF is designed to offer short-term, intense, focused mental health treatment to promote a successful return of the youth to the community. The PRTF program works actively with the family/guardian and community-based CMH treatment team.

### III. PROCEDURES:

A. Inpatient Psychiatric Admissions:

1. To be involuntarily admitted to an inpatient psychiatric hospital, the person served must meet the Michigan Mental Health Code definition of a "person requiring treatment" which means that one of the following is occurring:
  - a. The person has a mental illness, and because of that mental illness, can be reasonably expected within the near future to intentionally or unintentionally seriously physically harm themselves or another person, and who has engaged in an act or acts or made significant threats that are substantially supportive of this expectation; or
  - b. The person has a mental illness, and because of that mental illness, is unable to attend to their basic physical needs such as food, clothing, or shelter that must be attended to for that person to avoid serious harm in the near future, and who has demonstrated that inability by failing to attend to those basic physical needs; or
  - c. The person has a mental illness, and their judgement is so impaired by that mental illness, and their lack of understanding for treatment has caused them to demonstrate an unwillingness to voluntarily participate in or adhere

to treatment that is necessary, on the basis of competent clinical opinion, to prevent a relapse or harmful deterioration of their condition, and presents a substantial risk of significant physical or mental harm to themselves or others.

2. When a person served is being treated in a community inpatient psychiatric hospital and, having exhausted the treatment available in this setting, continues to meet the Michigan Mental Health Code definition above, they may be considered for admission to a State Operated Inpatient Psychiatric Hospital for further stabilization of their mental health treatment needs.

B. Prior Authorization Requests for Admission to a State Operated Inpatient Psychiatric Hospital

1. A telephonic screening request is completed with the Managed Care Operations (MCO) department documenting the request for admission to a state psychiatric hospital.
2. MCO staff will provide a blank copy of the State Hospital Request Review form to the primary clinical provider to obtain additional information for the purpose of determining medical necessity of the requested treatment.
3. The MCO Psychiatrist has fourteen (14) calendar days to make a determination of medical necessity on the request for the authorization of the state hospital admission.
  - a. When it is determined that the person meets medical necessity criteria for the authorization of the state hospital admission, then the treating providers are notified of this determination and MCO refers the individual to the state hospital.
  - b. When it is determined that the person does not meet the medical necessity criteria for the authorization of the state hospital admission, the authorization denial is documented in the FOCUS Electronic Medical Record (EMR), the treating providers are notified via email, and MCO sends a Notice of Adverse Benefit Determination to the person served and/or their legal guardian.

C. State Hospital Referral Process:

1. MCO staff completes the State Hospital Referral Checklist and sends it via email to the Caro Center Admissions Department. Additional information is provided as requested by Caro Center.
  - a. The State reviews the referral and decides if they are in agreement with the clinical appropriateness of the person served requiring treatment in a state facility. At times, the State refuses the referral. When this occurs, the State will notify MCO and then MCO will notify the primary clinical provider of the state's determination.

2. Macomb County is in the Caro Center catchment area therefore all referrals for this level of care are initially sent to this hospital.
  - a. Macomb County Community Mental Health (MCCMH) individuals can be referred to other state hospitals via special exceptions from the SHA.
3. The state hospital adds the individual to their pending admission list.
  - a. The MCO psychiatrist will reassess the individual every thirty (30) days until the individual is admitted to the state hospital to ensure that they continue to meet medical necessity criteria for the authorization of this level of care.
    - i. If upon redetermined the person served no longer meets medical necessity criteria for the authorization of the state hospital admission, then MCO staff will notify the state hospital and the treating providers of this determination via email and send a Notice of Adverse Benefit Determination to the person served and/or their legal guardian.
  - b. If the State reports that they are removing the individual from their pending list, MCO staff will immediately notify the MCO psychiatrist for a reassessment.
    - i. If the MCO psychiatrist determines that the individual continues to meet criteria for authorization of this level of care, then MCO staff will contact the State and request that they remain on the pending list.
    - ii. If the State reports that they are not in agreement and that they are removing the individual from the pending list, then MCO notifies the treating providers of this determination.
4. The State will notify MCO when the individual has been scheduled for admission to a state hospital.
  - a. MCO notifies the treating providers.
  - b. The treating provider coordinates the admission details with the state hospital including the admission date and transportation to the state hospital.
  - c. MCO provides all requested clinical information to the admitting hospital.
  - d. MCO provides the admitting hospital with an Admission Letter.
  - e. MCO completes the MCCMH preadmission screening document in the FOCUS Electronic Medical Record (EMR), also known as the Certificate of Need (CON) document, opens a provider admission in the EMR for the

hospital, and provides an initial authorization of ninety (90) calendar days of this service.

- f. MCO notifies the State Hospital Liaison of the admission and opens an admission in the FOCUS EMR. They will be listed as the Primary Provider in FOCUS.

D. Center for Forensic Psychiatry (CFP):

1. A person served that is adjudicated as Not Guilty by Reason of Insanity (NGRI) or Incompetent to Stand Trial (IST) is admitted to CFP through the criminal justice system without prior authorization from MCCMH.
2. When the CFP treatment team identifies that the person served is ready to step down to one of the other State Operated Inpatient Psychiatric Hospitals, then:
  - a. CFP notifies MCO of the pending admission and provides a clinical packet that is uploaded to the FOCUS EMR.
  - b. MCO provides the admitting hospital with an Admission Letter.
  - c. MCO completes a Certificate of Need (CON) in the FOCUS EMR, opens a provider admission in FOCUS for the hospital, and provides an initial authorization of ninety (90) days for this service.
  - d. MCO notifies the State Hospital Liaison of the admission and opens an admission for them in the FOCUS EMR. They will be listed as the primary provider.
3. When the CFP treatment team identifies that the person served is ready for discharge through the Direct Community Placement Program (DCPP), then:
  - a. CFP notifies MCO of the pending discharge and provides a clinical packet that is uploaded into the FOCUS EMR.
  - b. MCO notifies the State Hospital Liaison and opens an admission for them in the FOCUS EMR. They will be listed as the primary provider.
  - c. The State Hospital Liaison works with the individual, their legal guardian, and the CFP treatment team to coordinate the discharge plan including facilitating referrals to all necessary community providers.
  - d. The State Hospital Liaison ensures that the appropriate admission layers and authorizations are in the medical record for the treating community providers.

E. Concurrent Reviews for State Operated Inpatient Psychiatric Hospitals:

1. Prior to the expiration of the current authorization, MCO staff complete the concurrent review document, also known as the Continued Stay Review (CSR), in the FOCUS EMR based on documentation including:
  - a. Clinical documentation provided by the state hospital
  - b. Documentation completed by the State Hospital Liaison
  - c. Consultation with the State Hospital Liaison as needed
  - d. A utilization review completed with the social worker at the state hospital as needed
2. MCO provides additional authorization as medically necessary for up to ninety (90) calendar days at a time.

F. Discharge from a State Operated Inpatient Psychiatric Hospital:

1. Discharge planning begins at admission. The State Hospital Liaison is responsible for working with the person served and the hospital treatment team to identify the anticipated treatment needs and address any potential barriers to discharge.
2. MCO staff work with the State Hospital Liaison to determine the appropriate community level of care for the person served when discharged.
3. Once the treatment team has identified that the person served is ready for discharge, the state hospital social worker will provide the State Hospital Liaison with a hospital discharge packet that must be uploaded into the FOCUS EMR.
4. The State Hospital Liaison works with the individual, their legal guardian, and the hospital treatment team to coordinate the discharge plan including facilitating referrals to all necessary community providers.
5. The State Hospital Liaison ensures that the appropriate admission layers and authorizations are in the medical record for the treating community providers.
6. Once the person served is discharged, MCO staff complete the Discharge CSR in the FOCUS EMR to close out the CON and terminate the authorization.

G. Intensive Community Transition Services (ICTS) and Psychiatric Residential Treatment Facilities (PRTF):

1. When the hospital treatment team identifies that the person served will be discharged into an ICTS or PRTF setting, the state hospital liaison works with the individual, their legal guardian, and the hospital treatment team to coordinate the discharge plan to the identified State of Michigan contracted provider.
  - a. The State Hospital Liaison notifies MCO of the placement location and timeline.

- b. Once the person served is discharged, MCO staff complete the Discharge CSR in the FOCUS EMR to close out the CON and terminate the authorization.
2. At times a person served may be admitted to an ICTS or PRTF setting directly from the community as a diversion to state hospital admission. When this occurs MCO notifies the State Hospital Liaison and opens an admission for them in the FOCUS EMR. They will be listed as the primary provider.
  3. The State Hospital Liaison participates in the ICTS/PRTF treatment team meetings and documents a summary of each meeting in the FOCUS EMR.
  4. MCO works with the State Hospital Liaison to determine the appropriate community level of care for the person served upon completion of the time-limited admission to ICTS/PRTF.
  5. The State Hospital Liaison works with the individual, their legal guardian, the State of Michigan, the ICTS/PRTF treatment team, and the community-based CMH treatment team, if applicable, to coordinate the discharge plan including facilitating referrals to all necessary community providers.
  6. The State Hospital Liaison ensures that the appropriate admission layers and authorizations are in the medical record for the treating community providers.

**IV. REFERENCES:**

Michigan Mental Health Code: Chapter 330

**V. RELATED POLICIES:**

- A. MCCMH MCO Policy 4-020, “Medicaid and Non-Medicaid Notice of Adverse Benefit Determination
- B. MCCMH MCO Policy 12-003, “Emergency and Post-Stabilization Services”

**VI. EXHIBITS:**

State Hospital Request Review Form

**Annual Review Attestation / Revision History:**

Revision #:	Revision/Review Date:	Revision Summary:	Reviewer/Reviser:
1	11/12/2024	Creation of Procedure	MCCMH MCO Division
2	3/12/2025	Implementation of Procedure	MCCMH MCO Division