

# Frequently Asked Questions: Medicaid Reimbursement Status for Certain Chemical Dependency Programs in Minnesota

*\*FAQ's are not listed in order of importance. The FAQ's will be updated as needed. Please note the date breaks to see where new questions begin.*

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## **Will the IMD status of a program have an impact on access to treatment services?**

No. The IMD status of a program does not affect a client's eligibility for publically funded treatment, and we are not expecting increased barriers or delays in access to services.

## **Who decides if a program is an IMD?**

DHS is responsible for determining which programs are IMDs and ensuring alignment with the federal requirements for reimbursement for treatment services.

Determining IMD status is complex. Federal law defines an IMD as follows:

“Institution for mental diseases means a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis, treatment or care of persons with mental diseases, including medical attention, nursing care and related services. Whether an institution is an institution for mental diseases is determined by its overall character as that of a facility established and maintained primarily for the care and treatment of individuals with mental diseases, whether or not it is licensed as such.” (Code of Federal Regulations 435.1010).

It should be noted that the International Classification of Diseases (ICD) system classifies alcoholism and other chemical dependency syndromes as mental disorders and CD programs are subject to the IMD determination.

Please refer to the [CMS State Medicaid Manual](#) for more detailed guidance.

## **Why is DHS reviewing the past determinations of IMD status for programs?**

An internal review raised concerns about how DHS has determined the eligibility of some Rule 31 chemical dependency treatment programs for Medicaid reimbursement. Therefore, we are working with Centers for Medicare and Medicaid Services in order to ensure alignment with federal rules.

## **I operate a program that is currently determined by DHS as non-IMD. How will I know if this determination changes in the future?**

Currently there are 37 residential programs in the state that have 16 beds or more that are not treated as an IMD. DHS will be reaching out to these programs individually to discuss their reclassification. There are also a number of Rule 31 programs, both residential and outpatient, which have other characteristics that may make them IMDs. This may result in potential IMD determination for those programs as well.

Over the coming months, DHS will be conducting a comprehensive review of all Rule 31 programs to determine IMD status. DHS will continue working in partnership with counties, managed care organizations, tribes, and providers to ensure continued availability of quality CD services in the state. The Alcohol and Drug Abuse Division will communicate and provide updates as this work progresses.

## **Can a program that is classified as an IMD be reimbursed by the CCDTF for treatment services?**

Yes. The CCDTF is a funding source that includes federal Medicaid, state and county participation. CCDTF payments to non-IMD programs reflect federal, state and county combined reimbursement, but IMD programs are reimbursed with only state and county dollars, the reimbursement does not include a federal Medicaid share. This is why an increase in the number of treatment services provided by IMD programs is projected to result in increased costs to the state and county.

Following an initial review by DHS, there are 37 programs that were previously classified as non-IMD but going forward will be IMDs. This will result in a projected cost increase of \$2.4 million to counties and \$8.94 million to the state. The state and counties will see additional cost increases if further review finds that other programs are also IMDs.

## **Who can I contact with additional questions I have?**

Please contact Jacob Owens at [Jacob.owens@state.mn.us](mailto:Jacob.owens@state.mn.us) with any additional questions.

**End of FAQ's for 12/02/15**