Medicare Benefit Policy Manual

Chapter 2 - Inpatient Psychiatric Hospital Services

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10 - Covered Inpatient Psychiatric Hospital Services

(Rev. 1, 10-01-03)

A3-3102, HO-212

Patients covered under hospital insurance are entitled to have payment made for inpatient hospital services furnished to them while an inpatient of a psychiatric hospital. See the Medicare Benefit Policy Manual, Chapter 4, "Inpatient Psychiatric Benefit Days Reduction and Lifetime Limitation," §50 for the 190-day lifetime limitation on payment for inpatient psychiatric hospital services and the Medicare Benefit Policy Manual, Chapter 4, "Inpatient Psychiatric Benefit Days Reduction and Lifetime Limitation," §§10 - 50, for the pre-entitlement inpatient psychiatric benefit days reduction provision.

20 - Active Treatment in Psychiatric Hospitals

(Rev. 1, 10-01-03)

A3-3102.1, HO-212.1

The term "inpatient psychiatric hospital services" means inpatient hospital services furnished to an inpatient of a psychiatric hospital. Payment for inpatient psychiatric hospital services is to be made only for "active treatment" that can reasonably be expected to improve the patient's condition. To assure that payment is made only under such circumstances, the law includes certain requirements that must be met before the services furnished in a psychiatric hospital can be covered.

First, the certification that a physician must provide with respect to inpatient psychiatric hospital services is required to include a statement that the services furnished can reasonably be expected to improve the patient's condition. See Pub.100-1, Medicare General Information, Eligibility and Entitlement Manual, Chapter 4, §10.9, for certification requirements.

Second, the law provides that payment may be made for these services only if they were being furnished while the patient was receiving either active treatment or admission and related services necessary for diagnostic study. In the context of inpatient psychiatric hospital services, emphasis is placed on the presence of "active treatment" and, therefore, this determination is the crucial one. Simply applying the skilled care definition for general hospitals is not sufficient for determining whether payment may be made since that definition does not take into account the patient's potential for improvement nor was it designed to permit the more sophisticated judgments required by the concept of active treatment.

20.1 - Definition of Active Treatment

(Rev. 1, 10-01-03)

A3-3102.1.A, HO-212.1.A

For services in a psychiatric hospital to be designated as "active treatment," they must be:

- Provided under an individualized treatment or diagnostic plan;
- Reasonably expected to improve the patient's condition or for the purpose of diagnosis; and
- Supervised and evaluated by a physician.

Such factors as diagnosis, length of hospitalization, and the degree of functional limitation, while useful as general indicators of the kind of care most likely being furnished in a given situation, are not controlling in deciding whether the care was active

treatment. Refer to 42 CFR 482.61 on "Conditions of Participation for Hospitals" for a full description of what constitutes active treatment.

20.1.1 - Individualized Treatment or Diagnostic Plan

(Rev. 1, 10-01-03)

A3-3102.1.A.1, HO-212.1.A.1

The services must be provided in accordance with an individualized program of treatment or diagnosis developed by a physician in conjunction with staff members of appropriate other disciplines on the basis of a thorough evaluation of the patient's restorative needs and potentialities. Thus, an isolated service, (e.g., a single session with a psychiatrist, or a routine laboratory test) not furnished under a planned program of therapy or diagnosis would not constitute active treatment, even though the service was therapeutic or diagnostic in nature. The plan of treatment must be recorded in the patient's medical record in accordance with 42 CFR 482.61 on "Conditions of Participation for Hospitals."

20.1.2 - Services Expected to Improve the Condition or for Purpose of Diagnosis

(Rev. 1, 10-01-03)

A3-3102.1.A.2, HO-212.1.A.2

The services must reasonably be expected to improve the patient's condition or must be for the purpose of diagnostic study. It is not necessary that a course of therapy have as its goal the restoration of the patient to a level which would permit discharge from the institution although the treatment must, at a minimum, be designed both to reduce or control the patient's psychotic or neurotic symptoms that necessitated hospitalization and improve the patient's level of functioning.

The types of services which meet the above requirements would include not only psychotherapy, drug therapy, and shock therapy, but also such adjunctive therapies as occupational therapy, recreational therapy, and milieu therapy, provided the adjunctive therapeutic services are expected to result in improvement (as defined above) in the patient's condition. If the only activities prescribed for the patient are primarily diversional in nature, (i.e., to provide some social or recreational outlet for the patient), it would not be regarded as treatment to improve the patient's condition. In many large hospitals these adjunctive services are present and part of the life experience of every patient. In a case where milieu therapy (or one of the other adjunctive therapies) is involved, it is particularly important that this therapy be a planned program for the particular patient and not one where life in the hospital is designated as milieu therapy.

In accordance with the above definition of "improvement," the administration of antidepressant or tranquilizing drugs which are expected to significantly alleviate a patient's psychotic or neurotic symptoms would be termed active treatment (assuming

that the other elements of the definitions are met). However, the administration of a drug or drugs does not of itself necessarily constitute active treatment. Thus, the use of mild tranquilizers or sedatives solely for the purpose of relieving anxiety or insomnia would not constitute active treatment.

30 - Services Supervised and Evaluated by a Physician

(Rev. 1, 10-01-03)

A3-3102.1.A.3, HO-212.1.A.3

Physician participation in the services is an essential ingredient of active treatment. The services of qualified individuals other than physicians, e.g., social workers, occupational therapists, group therapists, attendants, etc., must be prescribed and directed by a physician to meet the specific psychiatric needs of the individual. In short, the physician must serve as a source of information and guidance for all members of the therapeutic team who work directly with the patient in various roles. It is the responsibility of the physician to periodically evaluate the therapeutic program and determine the extent to which treatment goals are being realized and whether changes in direction or emphasis are needed. Such evaluation should be made on the basis of periodic consultations and conferences with therapists, reviews of the patient's medical record, and regularly scheduled patient interviews, at least once per week.

Although in an institutional setting the services of a physician may be readily available, the general pattern is for the physician to visit the patient only periodically, delegating to nursing personnel the responsibility for intensive observation of patients, where it is necessary. Such periodic visits to a patient do not in themselves constitute active treatment. Conversely, when the physician periodically evaluates the therapeutic program to determine the extent to which treatment goals are being realized and whether changes in direction or emphasis are needed (based on consultations and conferences with therapists, review of the patient's progress as recorded on the medical record and the physician's periodic conversations with the patient), active treatment would be indicated. The treatment furnished the patient should be documented in the medical record in such a manner and with such frequency as to provide a full picture of the therapy administered as well as an assessment of the patient's reaction to it. (See 42 CFR 482.61(c) and 42 CFR 482.61(d) on Conditions of Participation).

A finding that a patient is not receiving active treatment will not in itself preclude payment for physicians' services under Part B. As long as the professional services rendered by the physician are reasonable and necessary for the care of the patient, such services would be reimbursable under the medical insurance program.

30.1 - Principles for Evaluating a Period of Active Treatment

(Rev. 1, 10-01-03)

A3-3102.1.B, HO-212.1.B

The period of time covered by the physician's certification is referred to a "period of active treatment." This period should include all days on which inpatient psychiatric hospital services were provided because of the individual's need for active treatment (not just the days on which specific therapeutic or diagnostic services are rendered). For example, a patient's program of treatment may necessitate the discontinuance of therapy for a period of time or it may include a period of observation, either in preparation for or as a follow-up to therapy, while only maintenance or protective services are furnished. If such periods were essential to the overall treatment plan, they would be regarded as part of the period of "active treatment."

The fact that a patient is under the supervision of a physician does not necessarily mean the patient is getting active treatment. For example, medical supervision of a patient may be necessary to assure the early detection of significant changes in his/her condition; however, in the absence of a specific program of therapy designed to effect improvement, a finding that the patient is receiving active treatment would be precluded.

The program's definition of active treatment does not automatically exclude from coverage services rendered to patients who have conditions that ordinarily result in progressive physical and/or mental deterioration. Although patients with such diagnosis will most commonly be receiving custodial care, they may also receive services that meet the program's definition of "active treatment" (e.g., where a patient with Alzheimer's disease or Pick's disease received services designed to alleviate the effects of paralysis, epileptic seizures, or some other neurological symptom, or where a patient in the terminal stages of any disease received life-supportive care). A period of hospitalization during which services of this kind were furnished would be regarded as a period of "active treatment."

40 - Definition of Nonpsychiatric Care in Psychiatric Hospital

(Rev. 1, 10-01-03)

A3-3102.2, HO-212.2

Nonpsychiatric care in a psychiatric hospital is care for a medical condition not related to mental heath care. It includes medical or surgery care for diagnoses that are not related to mental health. Inpatient hospital services are covered where a patient receives medical or surgical care in a psychiatric hospital, but does not satisfy the requirements dealing with active psychiatric treatment (see §20 above) if:

- The medical or surgical service requires a hospital level of care;

- Hospitalization in a psychiatric institution, rather than a general hospital, is appropriate because of some factor related to the patient's mental condition; and

- A physician certifies that these conditions are met.

The patient's past history of psychiatric problems or the possibility that he/she has a current psychiatric condition could furnish a proper base for the exercise of medical judgment in concluding that admission to psychiatric hospital is "medically necessary."