# Inpatient Mental Health Services Program

Page updated: August 2020

This section explains how to bill for psychiatric inpatient hospital services, continued stay services and administrative days.

Chapter 633, Statutes of 1994, Assembly Bill 757 consolidated the authorization of Fee-for-Service/Medi-Cal and Short-Doyle/Medi-Cal psychiatric inpatient hospital services at the county level. Under this program, the State Department of Health Care Services (DHCS) transferred the responsibility for the authorization of *Treatment Authorization Requests* (TARs) for psychiatric inpatient hospital services to the county's Mental Health Plan (MHP). The MHP authorizes psychiatric inpatient hospital service admissions, continued stay services and administrative days for all Medi-Cal recipients based on county of residence. This consolidation affects psychiatric inpatient hospital services only. Non-psychiatric inpatient hospital services are billed according to existing Medi-Cal policies and procedures.

## Out-of-State Providers: Psychiatric Inpatient Services Guidelines

Out-of-State providers are not affected by this consolidation program and are to send TARs to the TAR Processing Center and use the Inpatient Medi-Cal hospital provider number when billing.

## Eligible Recipients

Psychiatric inpatient hospital services are available to Medi-Cal recipients only. Medi-Cal recipients enrolled in the Partnership Health Plan of California – Solano are not eligible for this program. These plans are to follow the psychiatric inpatient hospital service authorization and billing requirements established under their contract with DHCS. (See the *MCP: County Organized Health System (COHS)* sections in the Part 1 manual.)

# Pregnancy-Related Services

Refer to the *Pregnancy: Early Care and Diagnostic Services* section of this manual for additional information.

# Authorization

A *Treatment Authorization Request* form, *Request for Mental Health Stay in Hospital* (TAR Form 18-3), must be completed when requesting authorization for the following admissions:

- Planned admissions for medication treatment (for example, clozapine) or specialized treatments (for example, electro-convulsive therapy)
- Continued stay services for recipients requiring additional services beyond the planned admission period
- Emergency admissions. Emergency admissions are exempt from prior authorization. However, the hospital must notify the MHP in the recipient's county of residence within 24 hours of admission. If notification is not received within 24 hours, the MHP may deny the hospital stay. (See *California Code of Regulations* [CCR], Title 9, Section 1778.)

If the MHP consultant has previously authorized days for the recipient's admission, but considers continuation of stay not to be medically necessary, the MHP consultant will deny an extension of hospital stay.

## Ancillary and Physician Services

Denial of any day of hospitalization will also result in denial or recoupment of payment (if previously made) for all physician or ancillary services rendered that day, including any emergency room, diagnostic and therapeutic or surgical and recovery services.

## TAR Submissions

Providers are to mail or fax TAR Form 18-3 to the MHP in the recipient's county of residence for approval. The *Inpatient Mental Health Services Program: Plan-Authorization Directory* section of this manual contains a list of MHP mailing addresses, telephone and fax numbers.

**Note:** Psychiatric inpatient hospital service TARs sent to the TAR Processing Center will be returned to providers for transmittal to the appropriate MHP. No action is taken on these TARs, other than the placement of a date stamp on the TAR to indicate date of receipt.

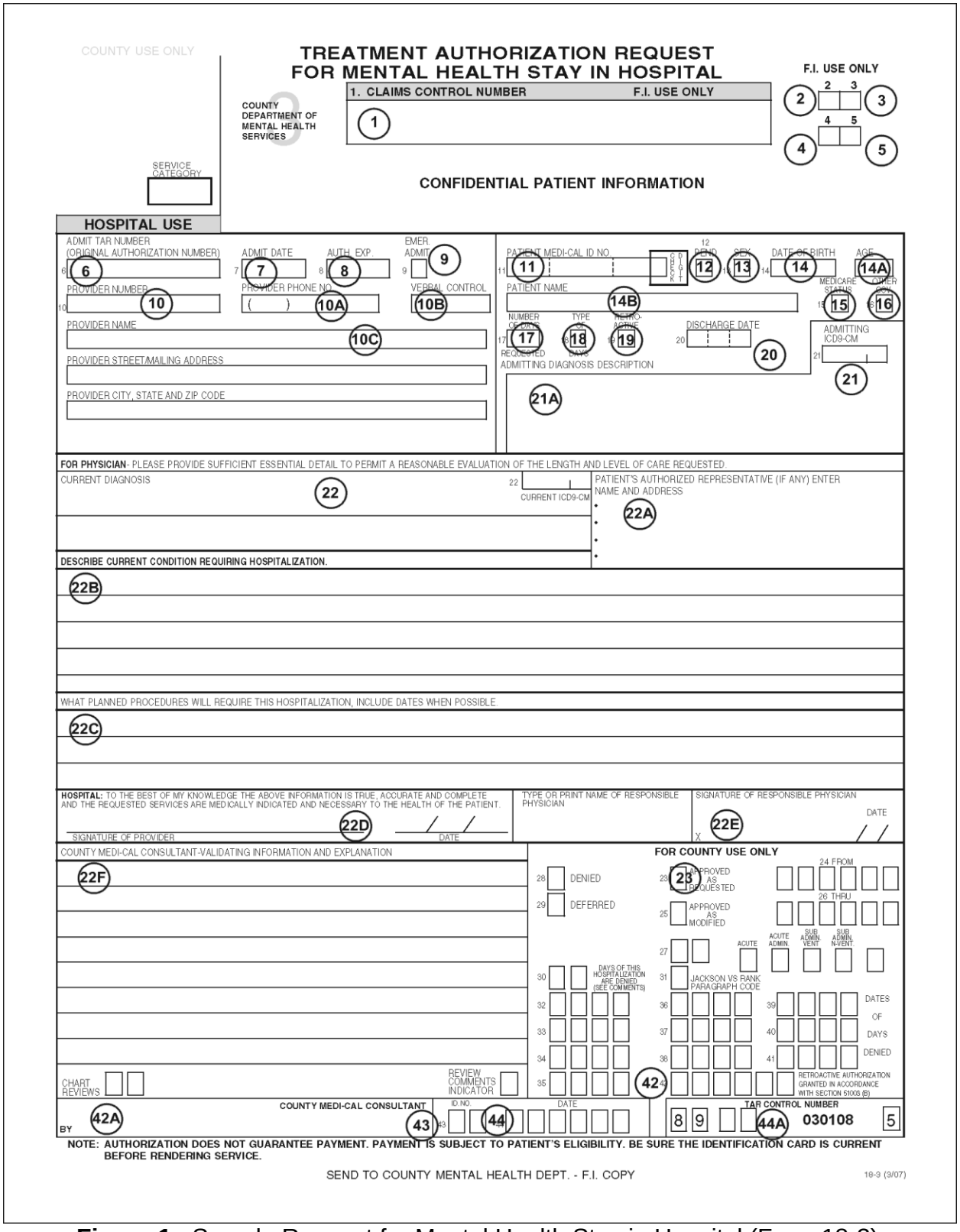
## Ordering TAR Form 18-3

TAR Form 18-3 is supplied by Medi-Cal. Use the DHCS Fiscal Intermediary (FI) *Provider Forms Reorder Request* card to order this form. To order, enter "18-3 TAR Forms" next to the quantity ordered on the "18-1" line. Complete the rest of the request as described in the *Forms Reorder Request: Guidelines* section of the appropriate Part 2 manual.

## TAR Update Transmittal Form 18-3

Providers needing to update an 18-3 mental health TAR may do so using the *TAR Update Transmittal* (TUT) *Form 18-3*. Providers can access the latest version of the *TUT Form 18-3* on the Forms page of the Medi-Cal website.

Providers submitting a *TUT Form 18-3* need to reattach the original TAR they would like to update. Providers must send the *TUT Form 18-3* and the original TAR to the address listed on the *TUT Form 18-3*.



COUNTY USE ONLY

**TREATMENT AUTHORIZATION REQUEST FOR MENTAL HEALTH STAY IN HOSPITAL**

COUNTY DEPARTMENT OF MENTAL HEALTH SERVICES

1. CLAIMS CONTROL NUMBER — F.I. USE ONLY (1)

F.I. USE ONLY (2, 3, 4, 5)

SERVICE CATEGORY

**CONFIDENTIAL PATIENT INFORMATION**

**HOSPITAL USE**

ADMIT TAR NUMBER (ORIGINAL AUTHORIZATION NUMBER) (6) | ADMIT DATE (7) | AUTH. EXP. (8) | EMER. ADMIT (9)

PROVIDER NUMBER (10) | PROVIDER PHONE NO. (10A) | VERBAL CONTROL (10B)

PROVIDER NAME (10C)

PROVIDER STREET/MAILING ADDRESS

PROVIDER CITY, STATE AND ZIP CODE

PATIENT MEDI-CAL ID NO. (11) | BIRTH CODE | PERD (12) | SEX (13) | DATE OF BIRTH (14) | AGE (14A)

PATIENT NAME (14B) | MEDICARE STATUS (15) | OTHER COV. (16)

NUMBER OF DAYS REQUESTED (17) | TYPE OF DAYS (18) | RETRO-ACTIVE (19) | DISCHARGE DATE (20)

ADMITTING DIAGNOSIS DESCRIPTION (21A) | ADMITTING ICD9-CM (21)

**FOR PHYSICIAN**- PLEASE PROVIDE SUFFICIENT ESSENTIAL DETAIL TO PERMIT A REASONABLE EVALUATION OF THE LENGTH AND LEVEL OF CARE REQUESTED.

CURRENT DIAGNOSIS (22) | CURRENT ICD9-CM (22)

PATIENT'S AUTHORIZED REPRESENTATIVE (IF ANY) ENTER NAME AND ADDRESS (22A)

DESCRIBE CURRENT CONDITION REQUIRING HOSPITALIZATION. (22B)

WHAT PLANNED PROCEDURES WILL REQUIRE THIS HOSPITALIZATION, INCLUDE DATES WHEN POSSIBLE. (22C)

**HOSPITAL:** TO THE BEST OF MY KNOWLEDGE THE ABOVE INFORMATION IS TRUE, ACCURATE AND COMPLETE AND THE REQUESTED SERVICES ARE MEDICALLY INDICATED AND NECESSARY TO THE HEALTH OF THE PATIENT.

SIGNATURE OF PROVIDER (22D) | DATE

TYPE OR PRINT NAME OF RESPONSIBLE PHYSICIAN

SIGNATURE OF RESPONSIBLE PHYSICIAN (22E) | DATE

COUNTY MEDI-CAL CONSULTANT-VALIDATING INFORMATION AND EXPLANATION (22F)

**FOR COUNTY USE ONLY**

28 DENIED | 29 DEFERRED | 23 APPROVED AS REQUESTED (23) | 25 APPROVED AS MODIFIED

24 FROM | 26 THRU

27 ACUTE | ACUTE ADMIN. | SUB ACUTE ADMIN. VENT. | SUB ACUTE ADMIN. N-VENT.

30 DAYS OF THIS HOSPITALIZATION ARE DENIED (SEE COMMENTS) | 31 JACKSON VS RANK PARAGRAPH CODE

32 | 33 | 34 | 35

36 | 37 | 38 | 42

39 DATES OF | 40 DAYS | 41 DENIED

RETROACTIVE AUTHORIZATION GRANTED IN ACCORDANCE WITH SECTION 51003 (B)

CHART REVIEWS | REVIEW COMMENTS INDICATOR

BY (42A) | COUNTY MEDI-CAL CONSULTANT (43) | ID NO. (44) | DATE

TAR CONTROL NUMBER (44A) 030108

**NOTE: AUTHORIZATION DOES NOT GUARANTEE PAYMENT. PAYMENT IS SUBJECT TO PATIENT'S ELIGIBILITY. BE SURE THE IDENTIFICATION CARD IS CURRENT BEFORE RENDERING SERVICE.**

SEND TO COUNTY MENTAL HEALTH DEPT. - F.I. COPY

18-3 (3/07)

**Figure 1**. Sample Request for Mental Health Stay in Hospital (Form 18-3)

# Explanation of Form Items: Form 18-3

The following item numbers correspond to a circled number on *the Request for Mental Health Stay in Hospital* (18-3) (Figure 1).

‹‹**Form 18-3 Form Items**››

| Item | Description |
|---|---|
| 1. | **Claim Control Number.** Leave blank. For FI use only. |
| 2. thru 5. | **F.I. use only.** Leave blank. |
| 6. | **Admit TAR Number** (Original authorization number). Leave blank. For emergency admits, refer to Item 9. |
| 7. | **Admit date.** Enter the date of admission. |
| 8. | **Authorization expires.** Enter the date the current TAR expires. |
| 9. | **Emer. Admit.** Enter an "X" if the patient was admitted to the hospital. Providers requesting an approval of admission, transfer or extension of hospital stay on the 18-3 form must complete the following fields accurately:<br>• The *Patient Medi-Cal ID No.* (Box 11) should be copied from the recipient's Benefits Identification Card (BIC) or the paper Medi-Cal ID card. This is a 14-character number. Enter the county code and aid code above Box 11.<br>• The *Provider Number* (Box 10) should be the NPI.<br>• The *Number of Days Requested* (Box 17) is the total number of days requested on this extension.<br>• *Admitting ICD-9-CM* (Box 21) and *Current ICD-9-CM* (Box 22) should be completed using the *International Classification of Diseases, 10th Revision, Clinical Modification.*<br>**Note:** The field names will not be updated on the TAR Form 18-3. |

## ‹‹Form 18-3 Form Items (continued)››

| | |
|---|---|
| 10. | **Provider Number.** Enter the NPI. |
| 10A | **Provider Phone Number.** Enter the provider's telephone number; include area code. |
| 10B | **Verbal Control.** If a verbal request for a TAR was made, enter the number provided by the MHP consultant.<br>**Note:** A written TAR indicating this number must be submitted to the MHP point of authorization. The Verbal Control Number is not the authorized TAR Control Number and cannot be used for billing. |
| 10C | **Provider Name and Address.** Enter the name of the hospital, street address, city, state and nine-digit ZIP code. |
| 11. | **Patient Medi-Cal ID Number. and Check Digit.** When entering the recipient identification number from the Benefits Identification Card (BIC), begin in the farthest left position of the field. The county code and aid code must be entered just above the recipient *Medi-Cal ID No*. box. Please do not enter any characters (dashes, hyphens, special characters, etc.) in the remaining blank positions of the *Medi-Cal ID* field or in the *Check Digit* box. |
| 12. | **Pend.** Enter a "P" if the patient's Medi-Cal eligibility is not yet established and the Medi-Cal number is not known. Otherwise, leave blank. |
| 13. | **Sex.** Enter the patient's sex:<br>• "F" for female<br>• "M" for male |
| 14. | **Date of Birth.** Enter the patient's date of birth (month, day, year). |
| 14A | **Age.** Enter the age of the patient. |
| 14B | **Patient Name.** Enter the patient's last name, first name, and middle initial. |
| 15. | **Medicare Status.** If Medicare is not billed, enter the appropriate Medicare status code number. See the *UB-04 Completion: Inpatient Services* section in this manual for a listing of Medicare Status Codes.<br>**Note:** If the Medi-Cal eligibility verification system indicates the recipient has Medicare coverage, and Medicare is not billed, the Medicare status code must be other than "under age 65, does not have Medicare coverage."<br>MHPs do not process TARs for recipients who have Medicare Part A coverage unless their benefits have been exhausted. |

‹‹**Form 18-3 Form Items (continued)**››

| Item | Description |
|---|---|
| 16. | Other Coverage. Enter an "X" if the recipient has other insurance or Other Health Coverage (OHC).<br><br>OHC includes insurance carriers as well as Health Maintenance Organizations (HMOs) which provide all or most of the recipient's health care needs.<br><br>Note, however, that providers should refer recipients with HMO coverage to their HMOs for treatment, except for emergencies. Refer to the *Other Health Coverage (OHC) Guidelines for Billing* section of the Part 1 manual.<br><br>In all cases, when recipients have OHC, providers must bill the insurance carrier or HMO prior to billing Medi-Cal. This also applies to recipients with Medicare coverage.<br><br>Claims for recipients with OHC will be denied unless proof of "Other Coverage denial" in the form of a denial letter from the carrier or HMO is submitted with the Medi-Cal claim. Denial letters must include:<br><br>• HMO name and address, statement of denial because of non-covered service(s)<br>• *Recipient's name<br>– Code number for recipient's health plan<br>– Date(s) the service is/was not covered<br>– Procedure (service rendered)<br>– Signature of authorized HMO representative<br><br>Refer to the *Eligibility: Recipient Identification* section in the Part 1 manual, for eligibility verification procedures. For OHC coding information, refer to the *Eligibility: Services Restrictions* section in the Part 1 manual. |

‹‹**Form 18-3 Form Items (continued)**››

| Item | Description |
|---|---|
| 17. | **Number of Days** Enter the number of days requested on this TAR, for example, 3. |
| 18. | **Type of Days.** Enter the code indicating type of days requested:<br>• 0: Acute<br>• 2: Administrative |
| 19. | **Retroactive.** Enter a capital "X" if this request is retroactive. |
| 20. | **Discharge Date**. Enter the date the patient was discharged from the facility. |
| 21. | **Admitting ICD-9-CM**. Enter the numeric code for the admitting diagnosis using the ICD-10-CM code book.<br>**Note:** The field names will not be updated on the TAR Form 18-3. |
| 21A. | **Admitting Diagnosis Description and ICD-9-CM Diagnosis Code.** Always enter the English description of the diagnosis from the ICD-10-CM code book.<br>**Note:** The field names will not be updated on the TAR Form 18-3. |
| 22. | **Current Diagnosis.** Current diagnosis and medical justification – provide sufficient medical justification for the MHP consultant to determine whether the service is medically justified. If necessary, attach additional information.<br>Enter the current ICD-10-CM code in Box 22. |
| 22A. | **Patient's Authorized Representative.** Enter the name and address (if known) of the patient's authorized representative, representative payee, conservator over the person, legal representative, or other representative handling the recipient's medical and personal affairs. |
| 22B. | **Describe Current Condition Requiring Hospitalization.** Enter sufficient information for the MHP consultant to determine if the services are medically necessary. |
| 22C. | **What Planned Procedures Will Require This Hospitalization, Include Dates When Possible.** Enter the recipient's plan of care and dates when services will be performed. |

‹‹**Form 18-3 Form Items (continued)**››

| Item | Description |
|---|---|
| 22D. | **Hospital.** Must be signed and dated by a representative of the hospital. |
| 22E. | **Signature of Responsible Physician.** Must be signed and dated by the admitting physician or other licensed personnel with admitting privileges. The provider assumes full legal responsibility to Department of Mental Health for the information provided by the representative. Original signatures are required. |
| 22F. | **County Medi-Cal Consultant** – Validating Information and Explanation. Leave blank; for MHP use. |
| 23. thru 42. | **For County Use Only.** Leave blank; for MHP use. (This section will contain the decision of the MHP consultant.) |
| 42A. | **County Medi-Cal Consultant.** Leave blank. Signature block for MHP use. |
| 43. thru 44. | **ID. No./Date.** MHP consultant completes. |
| 44A. | **TAR Control Number.** This number is imprinted on the form and will have the prefix “89” or “92.” The two-digit county code is added after the prefix “89” or “92” by the MHP consultant. |

## Medical and Psychiatric Services: TAR Submission

For recipients requiring both medical and psychiatric services,providers must determine which service is more urgent to prevent death, serious bodily impairment and/or relieve severe pain, and submit the TAR to either the TAR Processing Center or the MHP.

- If the recipient needs medical or surgical intervention first, providers should submit a TAR Form 50-1 to the TAR Processing Center.
- If the recipient needs acute psychiatric intervention for protection of life, the provider, if authorized to render psychiatric inpatient hospital services, should submit a TAR Form 18-3 to the MHP in the recipient’s county of residence. Otherwise, if the provider is not authorized to render psychiatric inpatient hospital services, the recipient should be referred to the appropriate facility licensed to render such services.

**Note:** Non-psychiatric inpatient services are authorized by the Medi-Cal field office following current TAR form policies and procedures. Out-of-State providers are to use the TAR (50-1) and submit TARs to the TAR Processing Center.

# Billing Procedures

Psychiatric inpatient hospital services are billed on the *UB-04* claim. When completing the claim, providers must enter the NPI in the *NPI field* (Box 56) and the MHP TAR number in the *Treatment Authorization Codes* field (Box 63).

## Submitting Claims

All claims are submitted to the FI for processing.

# Revenue Codes

The following revenue codes are used to bill for psychiatric inpatient hospital services:

| Code | Description |
|---|---|
| 114 | Room and board, private, psychiatric |
| 124 | Room and board, semi-private, 2-bed, psychiatric |
| 134 | Room and board, semi-private 3- or 4-bed, psychiatric |
| 154 | Room and board, ward (medical or general), psychiatric |
| 169 | Room and board, other (use to bill administrative day[s]) |
| 204 | Intensive care, psychiatric |

Hospitals with a separately negotiated rate for services to children and adolescents will receive that rate when revenue codes 114, 124, 134 or 154 are billed for a recipient who is 18 years of age or younger or who is under the specific age negotiated between the mental health plan and the hospital.

# Ancillary Charges

Claims must also show the ancillary charges as part of the total charges billed, even though the reimbursement is an all-inclusive rate for bed and ancillary charges.

### Institutions for Mental Disease (IMD)

Medi-Cal should not be billed for medical ancillary services (such as laboratory, X-ray or other medical services) performed off-site for persons residing in IMDs as inpatients when they receive services in an acute care hospital for a medical condition. Health care providers who perform medical ancillary services must directly bill the county of responsibility as identified on the Medi-Cal Eligibility Data System (MEDS).

## Reimbursement Rates

Medi-Cal reimbursement is based on per diem rates and is not subject to retrospective cost settlement. The per diem rate for those hospitals that render a high volume of Medi-Cal services is negotiated by the county where the hospital is located. The per diem rate for hospitals that do not have a contract with a county is established by the Department of Mental Health using a weighted average of negotiated rates within a geographic region.

### Professional Services Billed Separately

All rates for the preceding revenue codes include bed and ancillary charges only. Professional services, such as psychiatry and psychology, must be separately billed.

### Disproportionate Share Hospitals

Disproportionate share hospitals are automatically paid at their regular payment rates for all disproportionate share-eligible days.

## Reimbursement Restrictions

Reimbursement will be denied for inpatient hospital services rendered to the following recipients:

- Patients 22 to 64 years of age who reside in private psychiatric hospitals that are Institutions for Mental Diseases (IMDs)
- Patients 22 to 64 years of age who reside in state mental health hospitals when they are temporarily released to an acute care hospital

# Administrative Days

Revenue code 169, currently used to bill for acute administrative days,is also used to bill for psychiatric acute administrative days. Except for reimbursement rate and authorization, all Medi-Cal policies and procedures for billing acute administrative days apply to psychiatric acute administrative days.

Psychiatric acute administrative days billed with the mental health provider number "HSM" prefix are reimbursed at an all-inclusive rate not to exceed 125 percent of the current administrative day rate. This rate includes bed and ancillary charges.

## Completing the Claim

Psychiatric acute administrative days are subject to authorization by the appropriate MHP field office. Allowable ancillary charges must be shown as part of the total charges billed although not paid separately. Claims submitted with both psychiatric administrative days and any other revenue codes will be denied.

## Non-Psychiatric Administrative Days

Non-psychiatric administrative day claims are reimbursed based on the rates currently on file.

# Crossover Inpatient Services: Deductibles and Coinsurance

There is no change in billing psychiatric inpatient crossover claims for coinsurance and deductibles. Providers should continue to use their non-HSM inpatient provider number for these claims. These claims will be cut back to zero with RAD code 469 (payment was reduced to zero because Medi-Cal's maximum reimbursement equals Medicare's payment on this claim).

# TAR Appeals and Fair Hearing Requests

The MHP is responsible for first level TAR appeals. The Department of Mental Health processes second level TAR appeals. There is no change for fair hearings.

# Claim Inquiries and Appeals

All psychiatric inpatient hospital service claim inquiries and appeals are processed through the FI regardless of date of service.

## ‹‹Legend››

Symbols used in the document above are explained in the following table.

| Symbol | Description |
|---|---|
| ‹‹ | This is a change mark symbol. It is used to indicate where on the page the most recent change begins. |
| ›› | This is a change mark symbol. It is used to indicate where on the page the most recent change ends. |