

What is an IMD, and why is that important?

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An Institution for Mental Diseases (IMD) is defined as “*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*” (42 C.F.R. §435.1010).

Multiple facilities under the same ownership which together have more than 16 beds may constitute one entity for IMD purposes if they meet Centers for Medicare and Medicaid Services (CMS) criteria described in section 4390 of the State Medicaid Manual.

Why does it matter if a facility is an IMD?

Medicaid funding is not available to or for the benefit of Medicaid recipients living in any facilities that have been determined to be IMDs.

Who determines if a facility is an IMD?

CMS requires the Division of Medical Assistance (DMA) to undertake ongoing reviews of facilities to determine whether facilities meet the federal definition of an IMD. CMS can also make an independent determination.

What causes a facility to be selected for a review?

Facilities that meet the following criteria are selected for review:

- The facility is licensed for more than 16 beds; and
- More than 50 percent of the patients in the facility have had at least one paid claim with a diagnosis of mental illness/substance abuse within a specified period.

Can you provide an overview of the review process?

DMA began the review process in fall 2012 as part of a Corrective Action Plan (CAP) from CMS. Based on CMS requirements, the review process will be ongoing.

Do facilities have the right to appeal a determination?

Any facility determined to be “At Risk” of being an IMD is given an opportunity to provide additional information to DMA to challenge the determination.

When is the next review period?

Reviews will restart the first quarter of 2015.

How does a facility know they will be reviewed?

Any facility included in the review process will receive a notification letter they will be reviewed and have an initial scheduled phone call prior to the onsite review?

Is there anyone to contact with questions?

Feel free to contact Jackie Bush at 919-855-4317 or jackie.bush@dhhs.nc.gov with any questions concerning the IMD process.