Rule No. 560-X-41-.02 Conditions of Participation

(1) Hospitals:
   a. In order to participate in the Title XIX Medicaid program and to receive Medicaid payment for inpatient psychiatric services for individuals under age 21, a provider must meet the following conditions:
      1. Be certified for participation in the Medicare/Medicaid program;
      2. Be licensed as an Alabama psychiatric hospital in accordance with current rules contained in the Alabama Administrative Code Chapter 420-5-7. State hospitals which do not require licensing as per state law are exempt from this provision (Alabama Code, Section 22-50-1, et seq.);
      3. Be accredited by the Joint Commission on Accreditation of Healthcare Organizations;
      4. Have a distinct unit for children and adolescents;
      5. Have a separate treatment program for children and adolescents;
      7. Execute an Alabama Medicaid Provider Agreement for participation in the Medicaid program;
      8. Submit a written description of an acceptable utilization review (UR) plan currently in effect; and
      9. Submit a budget of costs for medical inpatient services for its initial cost reporting period, if a new provider.

Application by Alabama psychiatric hospitals for participation in the Medicaid program shall be made to the appropriate address indicated in the Provider Manual.

   (3) Submission of a monthly inpatient census report using the PSY-4 form is required of enrolled psychiatric hospitals.
   (a) The census report should list the names of all Medicaid children/adolescents who are admitted to and discharged from the hospital during the calendar month. This report should also list the names of the children and adolescents who remain in the hospital during the calendar month.
   (b) This report must be received by Medicaid (all correspondence should be mailed to the appropriate address as indicated in the Provider Manual) on or before the tenth of each month for the preceding month.
   (c) Failure to send the required reports within the specified time period will result in the hospital’s reimbursement checks being withheld until the report is received.

(2) Residential Treatment Facilities (RTFs):
a. In order to participate in the Title XIX Medicaid program and to receive payment for residential psychiatric treatment services for individuals under age 21, RTFs must meet the following conditions:

1. Be accredited by JCAHO, CARF, COA, or be certified as an Alabama RTF in accordance with standards promulgated by the Alabama Department of Human Resources (DHR), the Department of Mental Health/Mental Retardation (DMH/MR) the Department of Youth Services (DYS), or the Department of Children’s Affairs (DCA). Upon enrollment and each time the RTF is recertified a copy of the certification letter must be sent to Medicaid within forty-five business days.


3. Execute a contract or placement agreement with DHR, DMH/MR, DYS, DCA, or Federally Recognized Indian tribes to provide residential psychiatric treatment services in the State of Alabama;

4. Execute a provider agreement with Alabama Medicaid to participate in the Medicaid program;

5. Submit a written description of an acceptable UR plan currently in effect;

6. Submit a written attestation of compliance with the requirements of 42 CFR, Part 483, Subpart G, regarding the reporting of serious occurrences and the use of restraint and seclusion upon enrollment and yearly on or before July 21;

7. Be in compliance with staffing and medical record requirements necessary to carry out a program of active treatment for individuals under age 21;

b. All correspondence regarding application and certification by Alabama RTFs for participation in the Medicaid program should be mailed to the appropriate address indicated in the Provider Manual.

Author: Solomon Williams, Associate Director, Institutional Services
Statutory Authority: State Plan, Attachment 3.1-A, pp. 7, 7.16; 42 CFR, Part 441, Subpart D; and Section 431.107.