



Magellan Compliance Notebook

Magellan Behavioral Health of Pennsylvania, Inc. (Magellan) strives to be proactive and use education as a preventative tool to help ensure our members receive the highest quality of care through you, the provider. The Compliance Department at Magellan is committed to sending monthly e-mails to targeted providers regarding a Compliance-related subject.

This e-mail communication is specific to your HealthChoices (Pennsylvania Medicaid) Contract with Magellan.

This month, we would like to remind Child and Adolescent Residential Treatment Facility (RTF) Providers about Magellan's RTF Bed Hold and Therapeutic Leave Guidelines; as well as communicate information regarding the proposed Psychiatric Residential Treatment Facility Regulations (PRTF).

Medical Assistance (MA) Bulletins [01-95-13 JCAHO-Accredited RTF Services](#) and 01-95-12 *Mental Health Services Provided in a Non-JCAHO Accredited Residential Facility for Children under 21 Years of Age* outline the guidelines for reimbursement of time spent in therapeutic leave and hospital reserve days while in placement at a Residential Treatment Facility (RTF). Magellan has established guidelines that are consistent with the MA Bulletins and are designed to ensure that both providers and Magellan have a clear understanding of what bed hold days are billable and how these billable days are to be documented. Although Magellan's guidelines exceed the scope of the MA regulations, they are referenced in this communication as a resource for the requirements.

Hospitalization from Psychiatric RTF/ Bed Hold

When a child or adolescent member is admitted for a continuous 24-hour period to an acute care general hospital, rehabilitation hospital or rehabilitation unit of an acute care general hospital, psychiatric hospital or psychiatric unit of an acute care general hospital and the member is expected to return to the RTF, Magellan will reimburse the RTF to reserve the bed for the child or adolescent's return to the facility for one-third of the facility's per diem payment rate. Either the same or a comparable bed must be available for the recipient upon return to the facility.

Important reminders and guidelines regarding reimbursement of bed hold days:

- **Payment for a hospital reserved bed day is one-third of the facility's per diem payment rate and is limited to 15 days per child per calendar year. Providers should bill the designated code on their contracts that reflects the Bed Hold rate.**
- **The 15-day per calendar year limit is cumulative and applies regardless of whether the child received continuous or intermittent treatment at one or more RTFs or was admitted to one or more hospitals or units during the calendar year.**
- **Overnight visits to the emergency room are considered "hospital reserved/ bed hold days". An RTF may not bill the full rate when a member does not sleep in the RTF due to an overnight or multiple nights spent in an emergency room or crisis center.**

Therapeutic Leave from Psychiatric RTF

Therapeutic leave is a period of absence from RTF directly related to the treatment of the individual's illness. The first day of therapeutic leave is defined as 12 to 24 hours of continuous absence from the facility, without staff presence, for therapeutic reasons, without regard to calendar day. Continuous absence for any portion of each additional 24-hour period for therapeutic reasons counts as an additional day of therapeutic leave. Therapeutic leave must be prescribed as a part of the child's individual treatment program. It is to be used as part of a professionally developed and supervised individual plan of care designed to achieve the child's discharge from the facility and return to the community at the earliest possible time. The RTF where the child is currently receiving treatment is responsible both clinically and fiscally for mental health services the child may require while on leave. The facility must also reserve the residential facility bed while the child is on compensable therapeutic leave.

In order to receive reimbursement from Magellan for therapeutic leave, the following documentation must be in the record:

- ✓ The physician's order for the therapeutic leave
- ✓ A description of the desired outcome
- ✓ The date and time the child went on therapeutic leave and when the child returned
- ✓ A written evaluation resulting from interviews with both the child and family or legal guardian after the leave period
- ✓ The evaluation shall describe the treatment objectives of the leave and the outcomes.
- ✓ The facility must report therapeutic leave usage when requesting prior approval for continued stay.

Important reminders and guidelines regarding reimbursement of therapeutic leave:

- **Therapeutic leave in excess of 48 days per calendar year is not billable.**
- **The facility is responsible for maintaining documentation of all usage of therapeutic leave, even that which might have occurred in another facility or during a previous admission.**
- **Therapeutic leave cannot exceed 4 nights/5 days per episode.**

- Leave is subject to concurrent review and will be evaluated along with other elements of treatment to determine if the use of leave is consistent with the standards of care.
- If the member does not return back to the RTF from a therapeutic leave, the date of discharge will be the date of the last night the member spent in the RTF and reimbursement will not be provided for that episode of leave.

Psychiatric Residential Treatment Facility (PRTF) Proposed Regulations Update

Background:

The Pennsylvania Department of Human Services (DHS) currently licenses residential treatment facilities (RTFs) that serve children, youth or young adults. A subset of the RTFs that provide medically necessary psychiatric treatment in a residential setting to children, youth or young adults under 21 years of age with a behavioral health diagnosis are also certified by DHS. The proposed rulemaking is needed to codify the minimum licensing standards and MA participation requirements and payment conditions for these RTFs, which are referred to as PRTFs in the proposed rulemaking.

Purpose:

The [proposed Psychiatric Residential Treatment Facilities regulations](#) codify the minimum licensing standards and Medical Assistance (MA) participation requirements and payment conditions for psychiatric residential treatment facilities (PRTFs) that provide medically necessary behavioral health treatment to children, youth or young adults under 21 years of age with a behavioral health diagnosis who cannot be effectively treated in their home and community. When the proposed rulemaking is promulgated, RTFs that are currently licensed and certified by the Department to provide behavioral health treatment to children, youth or young adults will need to be regulated under the new licensing and payment chapters as PRTFs.

Current status:

OMHSAS has completed review of public, Independent Regulatory Review Commission (IRRC), and legislative Standing Committee comments on the proposed Psychiatric Residential Treatment Facility (PRTF) regulations (Chapters 1130 and 5330). On May 21, 2025, DHS hosted a [Stakeholders webinar](#) to discuss some of the highly commented areas. Any suggested changes to the proposed regulations may be considered as long as they do not expand the regulation's coverage to a new subject matter or if it is federal regulation. Final-form regulations must be submitted to IRRC within 2 years of the end of the public comment period. IRRC addresses the final form regulations at a public meeting a minimum of 30 days from the date the final-form regulations are submitted. IRRC votes to approve the regulation at the public meeting. If approved by IRRC, the Attorney General will review the regulation. Once approved, the final-form regulations are published in the *Pennsylvania Bulletin* and effective upon the publication date, unless a different effective date is listed in the annex. At this point the regulation is "codified" and carries the weight of law. ***Magellan strongly recommends that all DHS-licensed RTF providers familiarize themselves with the proposed new regulations as soon as possible.***

At Magellan, we will continue to educate our providers with updated MA Bulletins, regulations, and other pertinent information to ensure Compliance. Although providers are ultimately responsible for knowing and complying with all applicable regulations, we proactively engage providers on an ongoing basis to make sure they are aware of compliance related requirements and expectations. Medicaid Program Integrity is truly a collaborative effort between our providers, county customers, Magellan, Bureau of Program Integrity (BPI) and other oversight agencies. The monthly e-mail blast topics are generated from audit results and trends; however, are also sent in response to recent Magellan policy updates; newly released or relevant MA Bulletins and Policy Clarifications; or Regulation changes. The intention is to afford our providers with as many resources as possible to combat FWA and reduce overpayments.

Thank you for your ongoing hard work and dedication to our members!

Magellan of Pennsylvania's Compliance Team

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