INDIANA

This summary of state regulations and policy represents only a snapshot at a point in time, is not comprehensive, and should not be taken to constitute legal advice or guidance. State Medicaid requirements are included at the end of this summary.

Types of Facilities

Mental Health (MH) and Substance Use Disorder (SUD): Indiana regulates Community Mental Health Centers (CMHCs). To be designated as a CMHC, a provider shall, within its designated service area, provide six settings or types of treatment, once of which is residential services. Both MH and SUDs are treated within CMHCs. CMHCs may include detoxification services.

Indiana also regulates Sub-acute Stabilization Facilities as part of a group of otherwise nontreatment focused Residential Living Facilities for Individuals with Psychiatric Disorders or Addictions. Sub-acute Stabilization Facilities "serve at least four (4) and not more than fifteen (15) individuals," although state staff indicate that more than 15 are allowed as needed to meet demand. These facilities "may function as one (1) or both of the following: (1) A crisis care or respite care facility: (A) that serves people in need of short term respite care or short term crisis care; and (B) the length of stay shall not exceed forty-five (45) days; (2) Rehabilitative facility: (A) that serves people who have a need for treatment of psychiatric disorders or addictions; and (B) the length of stay in a rehabilitative facility shall not exceed one (1) year. The division director may waive the one (1) year limitation when evidence is presented that a less restrictive setting is inappropriate."

Substance Use Disorder (SUD): Indiana regulates Addiction Treatment Services, which are a "broad range of planned and continuing care, treatment, and rehabilitation, including, but not limited to, counseling, psychological, medical, and social service care designed to influence the behavior of individual alcohol abusers or drug abusers, based on an individual treatment plan." These services are offered in the facilities discussed above (CMHCs and Sub-acute Stabilization Facilities).

Unregulated Facilities: State staff indicate that there are no unregulated residential treatment facilities in Indiana. We exclude from this summary all Residential Living Facilities for Individuals with Psychiatric Disorders or Addictions other than Sub-acute Stabilization Facilities, because they do not include treatment as a necessary component.

Approach

Mental Health (MH and Substance Use Disorder (SUD): The Indiana Division of Mental Health and Addiction (DMHA) regulates residential treatment providers in the state. For both MH and SUD, this includes CMHCs (including residential settings) and Sub-acute Stabilization Facilities, within which Addiction Treatment Services may be offered.

Processes of Licensure or Certification and Accreditation

Mental Health (MH and Substance Use Disorder (SUD): Certification by DMHA is required for operation of CMHCs and Sub-acute Stabilization Facilities.

- Accreditation is required by an entity approved by DMHA. According to state staff, addiction service organizations with fewer than ten staff need not be accredited.

- A site visit is required for licensure.

- A Certificate of Need is not required but CMHCs are assigned exclusive geographic primary service areas.

- An application and proof of accreditation are required for an initial one-year license. Certifications are distributed on a three-year cycle and must be renewed for the following two years.

Substance Use Disorder (SUD): Certification by DMHA is required for operation of Addiction Treatment Services providers.

- To be certified initially and to maintain regular certification, the entity must maintain accreditation from an accrediting agency approved by the division. The application for regular certification as an addiction treatment services provider must include the following: (1) Proof of accreditation; (2) Site survey recommendations from the accrediting agency; and (3) The applicant's responses to the site survey recommendations. According to state staff, addiction service organizations with fewer than ten staff need not be accredited.

- Proof of inspection during the accreditation process is required.

- A Certificate of Need is not required.

- The regular certification expires 90 days after the expiration of accredited status and must be renewed.

Cause-Based Monitoring

Mental Health (MH and Substance Use Disorder (SUD): For CMHCs, DMHA shall change the certification status of a CMHC to that of conditional certification if the division determines that the center has not met the regulatory requirements or has not met the requirements of a contract with the division. Certification may immediately be revoked if accreditation is revoked.

For all Sub-acute Stabilization Facilities, DMHA may terminate certification issued under this article upon the division's investigation and determination of the following: (1) A substantive change in the operation of the organization; (2) Failure to comply with this article; (3) That the physical safety of the consumers or staff of the organization is compromised by a physical or sanitary condition of the organization or of a physical facility of the organization; or (4) Violation of a federal or state statute, rule, or regulation in the course of the operation of the organization or its facilities.

Substance Use Disorder (SUD): For Addiction Treatment Services providers, DMHA can issue a conditional status upon the division's investigation and determination of a variety of incidents, including a substantive change in the entity's accreditation status other than revocation of the accreditation, any conduct or practice in the operations of the entity that is found by the division to be detrimental to the welfare of persons served by the organization, and/or the physical safety of the consumers or staff of the entity is compromised by a physical or sanitary condition of a physical facility of the entity. Additionally, the division shall terminate the certification of the entity if the following occurs: (1) The entity's accreditation is revoked; (2) The entity that has a conditional status does not meet the requirements of the division within the period of time required; (3) The entity fails to provide proof of application for accreditation prior to the expiration of the initial temporary certification; or (4) The entity fails to become accredited within twenty-four (24) months of receiving a temporary certification.

Access Requirements

Mental Health (MH and Substance Use Disorder (SUD): For CMHCs and Residential Living Facilities for Individuals with Psychiatric Disorders or Addictions, crisis services, including access to more intensive services, including detoxification, shall be made available to consumers within twenty-four (24) hours of problem identification.

For CMHCs, each entity is obligated to provide accessible services for all individuals, within the limits of its capacity, in its exclusive geographic primary service area.

Staffing

Mental Health (MH and Substance Use Disorder (SUD): For CMHCs, centers must employ a chief executive officer. The chief executive officer (CEO) shall have at least a master's degree and shall have demonstrated managerial experience in the mental health care or related field. The center must evaluate the performance of the CEO at least every other year. The center shall have on staff a medical services director who: (1) has responsibility for the oversight and provision of all medical services; and (2) is a physician licensed to practice medicine in Indiana. At least ten percent (10%) of the center direct care staff full-time equivalents shall be some combination of: (A) Licensed clinical social workers; (B) Licensed mental health counselors; (C) Licensed marriage and family therapists; (D) Clinical nurse specialists; (E) Licensed psychologists, including individuals licensed as health service providers in psychology; and (F) Psychiatrists licensed to practice in the state of Indiana. Trained clinicians shall be available twenty-four (24) hours per day, either on-call or on site, and the available clinicians shall receive training in crisis intervention. All CMHCs shall have a physician licensed in Indiana available for consultation to staff twenty-four (24) hours per day, seven (7) days per week Direct service staff shall receive training which addresses, among other things, the following: (1) Applicable laws, legal issues, and rights of consumers; (2) Sensitivity in dealing with families and supportive others in crisis; (3) Cultural diversity; and (4) Family dynamics.

For all entities, the governing body shall play a role in employing and evaluating the CEO and employing or contracting for a professional services director who is licensed as a physician or health service professional in psychology and who is not the same person as the CEO.

Placement

Mental Health (MH and Substance Use Disorder (SUD): For CMHCs, target populations include, among others, the seriously mentally ill, alcohol and other drug abusers, and older adults. For CMHCs, utilization management is required to link need to care including but not limited to: (A) Prior authorization manuals or systems; (B) Evidence based treatment systems; (C) Clinical pathways; (D) American Society of Addiction Medicine criteria; and (E) Another system of linking need to care.

Substance Use Disorder (SUD): State staff indicate that all addiction residential treatment providers must utilize ASAM placement criteria, a requirement not yet in the regulations.

Treatment and Discharge Planning and Aftercare Services

Mental Health (MH) and Substance Use Disorder (SUD): For all entities, individualized treatment planning is required, with the first being completed within 30 days of admission and

updated every 90 days thereafter. CMHCs must provide (in all settings) for adults who are chemically addicted, an aftercare/relapse prevention plan.

Substance Use Disorder (SUD): State staff indicated that the requirements of the SUD regulation that pertains to outpatient treatment planning and discharge planning are required of residential facilities as part of certification. Those regulations require that the program have written policies and procedures for development of a treatment plan that includes but is not limited to completion by the third session, review at least every 60 days, and revision as needed. The program also must have written policies and procedures for discharge planning.

Treatment Services

Mental Health (MH) and Substance Use Disorder (SUD): For all entities, residential treatment services must be based on a written, cohesive, and clearly stated philosophy and treatment orientation and must include the following standards: (1) There must be evidence that the philosophy is based on literature, research, and proven practice models; (2) The services must be client centered; (3) The services must consider client preferences and choices; (4) There must be a stated commitment to quality services; (5) The residents must be provided a safe, alcohol free, and drug free environment; and (6) The individual environment must be as homelike as possible.

CMHCs must provide acute stabilization services and detoxification services, primarily in inpatient or specific detoxification facilities, but crisis services must be available in all settings (including residential).

<u>Residential services for adults with psychiatric disorders</u> shall include specific functions that shall be made available to consumers based upon the individual treatment plan. These functions include the following: (1) Provision of transportation or access to public transportation in accordance with the treatment plan. (2) A treatment plan partially based on a functional assessment of each resident's daily living, socialization, and coping skills that is based on structured evaluation and observation of behavior. (3) Provision of services focused on assisting a resident's move to an independent setting. (4) Respite residential services, a very short term residential care (less than two (2) weeks), to provide either relief for a caregiver or transition during a stressful situation. (5) Crisis services, including more intensive services within twenty-four (24) hours after problem identification. (6) Residents, as determined by their individual treatment plan, must receive a combination of the following services: (A) Day treatment, that may include the following: (i) Intensive outpatient; (ii) Social, recreational, and support activities; and (iii) Other models of intervention; (B) Habilitation and rehabilitation services that may include, among other things, skills development and community reintegration; (C) Vocational services; (D) Appropriate educational services must be available in as normal a setting as possible; (E) Mental health treatment, that may include the following: (i) Group therapy; (ii) Individual counseling or psychotherapy; and (iii) Medication therapy.

(7) Family involvement must be offered to the resident as part of the service unless it is refused by the resident as documented annually in the treatment plan.

Residential services for adults with addictions, must include specific functions that shall be made available to consumers based upon the individual treatment plan. These functions include the following: (1) A treatment plan partially based on a functional assessment of each resident's daily living, socialization, and coping skills that is based on structured evaluation and observation of behavior. (2) Crisis services, including access to more intensive services, including detoxification, within twenty-four (24) hours of problem identification. (3) Case management services, including access to medical services, for the duration of treatment, provided by a case manager or primary therapist. (4) A consumer of residential treatment services must have access to psychiatric or addictions treatment as needed, including the following: (A) Day treatment that may include the following: (i) Daily living skills development; (ii) Social, recreational, and recovery support activities; and (iii) Parenting skills development. (B) Vocational services; (C) Appropriate educational services must be available in as normal a setting as possible; and (D) Psychiatric or addiction treatment, that may include the following: (i) Group therapy; (ii) Individual counseling; and (iii) Medication evaluation and monitoring. (5) Family involvement must be offered to the resident as part of the service unless it is refused by the resident.

Case management. Community mental health centers shall provide case management (for all levels of care including residential). The level of case management depends on the functioning level of the consumer, the consumer's preferences, and response to treatment as documented in the individualized treatment plan and clinical notes. The regulations include additional requirements for case management including ones specific to individuals with serious mental illness and adults who are chemically addicted.

Patient Rights and Safety Standards

Mental Health (MH) and Substance Use Disorder (SUD): For all entities, each resident is guaranteed rights, including, but not limited to, that each resident: (1) is in a safe environment and is free from abuse and neglect; (2) is treated with consideration, respect, and full recognition of the resident's dignity and individuality; (3) is free to communicate, associate, and meet privately with persons of the resident's choice; (4) has the right to confidentiality; (5) privacy; and (6) is free to voice grievances and to recommend changes in the policies and services offered by the agency. For all entities, chemical restraint is prohibited. Physical restraint and seclusion are only allowed in Sub-acute Stabilization Facilities. For CMHCs and Addiction Treatment Services Providers that offer residential care, the agency must report a variety of incidents to the division within one working day.

Quality Assurance or Improvement

Mental Health (MH) and Substance Use Disorder (SUD): For all entities, an organization that has applied for certification or has been certified must participate in the division's quality assurance program. Additionally, all entities are required to have a governing body, the duties of which include conducting an annual assessment that includes: (A) A review of the business practices of the organization to ensure that: (i) appropriate risk management procedures are in place; (ii) prudent financial practices occur; (iii) there is an attempt to maximize revenue generation; and (iv) professional practices are maintained in regard to information systems, accounts receivable, and accounts payable. Deficiencies in the center's business practices shall be identified and a plan of corrective action implemented; and (B) A review of the programs of the organization, assessing whether the programs are well utilized, cost effective, and clinically effective. Deficiencies in the organization's current program practices shall be identified and a plan of corrective action implemented.

Twenty-four hour crisis services shall participate in a quality assurance/quality improvement system that includes a review of individual cases and identification and resolution of systemic issues as follows: (1) Each crisis case shall be reviewed at a supervisory or management level for appropriateness of disposition; and (2) Systemic issues regarding types, timing, and location of crises shall be monitored for risk management implications.

Governance

Mental Health (MH) and Substance Use Disorder (SUD): All entities are required to have a governing body, the purpose of which is to make policy and to assure the effective implementation of the policy.

Special Populations

Mental Health (MH) and Substance Use Disorder (SUD): Individuals who are seriously mentally ill and who abuse alcohol and other drugs must receive services from accredited facilities. Special care should be taken to provide for the specialized service needs of children, the older adult, and residents previously discharged from inpatient treatment at a mental health facility. CMHCs specifically must provide for the service needs of older adults who experience significant loss of functioning due to mental health problems. This shall include but not be limited to: (1) identification of an individual to coordinate the accessibility of traditional mental health care services available in the center to older adults; (2) development of arrangements to provide services for home bound or institutionalized older adults consistent with their individual needs; and (3) identified consideration of older adults and their specialized service needs in the development of the annual program plan.

Location of Regulatory and Licensing Requirements

Division of Mental Health and Addiction[1]. Regulatory data collected September 26, 2019.

Other Information Sources

W. Harrold, N. Svetlauskas (DMHA); National Conference of State Legislatures CON Program Overview, http://www.ncsl.org/research/health/con-certificate-of-need-state-laws.aspx

[1] See http://iac.iga.in.gov/iac/iac_title?iact=440.

INDIANA MEDICAID

This summary of state regulations and policy represents only a snapshot at a point in time, is not comprehensive, and should not be taken to constitute legal advice or guidance. State Medicaid requirements are included at the end of this summary.

Approach

The Indiana Family and Social Services Administration, Office of Medicaid Policy and Planning (the Office) oversees the state Medicaid program. Indiana also has a section 1115 waiver that permits reimbursement of short term SUD treatment services to individuals aged 21-64 years in residential treatment facilities of any size that qualify as an Institution for Mental Disease (IMD). Indiana also has historically relied on the in lieu of provision to reimburse certain services in IMDs but not Disproportionate Share Hospital (DSH) payments.

Types of Facilities

Mental Health (MH): Researchers found no other evidence of Medicaid reimbursement for adult MH treatment services in residential settings.

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver, expenditures may be reimbursed for otherwise covered services furnished to otherwise eligible individuals who are primarily receiving treatment and withdrawal management services for SUD who are short-term residents in facilities that meet the definition of an IMD. Expenditures for services in the following residential ASAM levels of care are permitted: Level 3.1. Clinically Managed Low-Intensity Residential Treatment Services; Level 3.5. Clinically Managed High-Intensity Residential Treatment Services.

Processes of Medicaid Enrollment

Mental Health (MH) and Substance Use Disorder (SUD): A provider must be duly licensed, registered, or certified by the appropriate professional regulatory agency pursuant to state or federal law, or otherwise authorized by the office for state Medicaid program enrollment. Enrollment in the state Medicaid program requires, among other things, application for certification as a Medicaid provider, proof of necessary licensure, and completion of a provider agreement. Certification may be withdrawn and other sanctions imposed.

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver, residential treatment services must be provided in an Indiana Division of Mental Health and Addiction

(DMHA)-certified facility that has been enrolled as a Medicaid provider and assessed by DMHA as delivering care consistent with ASAM or other nationally recognized, SUD-specific program standards for residential treatment facilities.

Staffing

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver, the state must assess the availability of providers in the key levels of care throughout the state, or in the regions of the state participating under this demonstration including those that offer MAT. In addition, the state must establish residential treatment provider qualifications in licensure, policy or provider manuals, managed care contracts or credentialing, or other requirements or guidance that meet program standards in the ASAM Criteria or other comparable, nationally recognized, SUD-specific program standards regarding in particular the credentials of staff for residential treatment settings.

Placement

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver treatment services delivered to residents of an institutional care setting, including facilities that meet the definition of an institution for mental diseases (IMD), are provided to Indiana Medicaid recipients with an SUD diagnosis when determined to be medically necessary by the MCO utilization review staff and in accordance with an individualized service plan. The state must establish a requirement that MCOs and providers assess treatment needs based on SUD specific, multidimensional assessment tools, such as the American Society of Addiction Medicine (ASAM) Criteria or other patient placement assessment tools that reflect evidence-based clinical treatment guidelines. The state also must establish a utilization management approach such that beneficiaries have access to SUD services at the appropriate level of care and that the interventions are appropriate for the diagnosis and level of care, including an independent process for reviewing placement in residential treatment settings.

Treatment and Discharge Planning and Aftercare Services

Substance Use Disorder (SUD): Researchers did not locate such requirements within either the Medicaid regulations or the section 1115 waiver.

Treatment Services

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver, beneficiaries will have access to high quality, evidence-based OUD and other SUD treatment services ranging from

acute withdrawal management to on-going chronic care for these conditions in cost-effective settings while also improving care coordination and care for comorbid physical and mental health conditions. Residential treatment services are provided in a facility assessed by the Indiana Division of Mental Health and Addiction (DMHA)-certified facility as delivering care consistent with ASAM or other nationally recognized, SUD-specific program standards for residential treatment facilities. Covered services include:

- Clinically-directed therapeutic treatment to facilitate recovery skills, relapse prevention, and emotional coping strategies.
- Addiction pharmacotherapy and drug screening.
- Motivational enhancement and engagement strategies.
- Counseling and clinical monitoring.
- Withdrawal management and related treatment designed to alleviate acute emotional, behavioral, cognitive, or biomedical distress resulting from, or occurring with, an individual's use of alcohol and other drugs.
- Regular monitoring of the individual's medication adherence.
- Recovery support services.
- Counseling services involving the beneficiary's family and significant others to advance the beneficiary's treatment goals, when: (1) the counseling with the family member and significant others is for the direct benefit of the beneficiary, (2) the counseling is not aimed at addressing treatment needs of the beneficiary's family or significant others, and (3) the beneficiary is present except when it is clinically appropriate for the beneficiary to be absent in order to advance the beneficiary's treatment goals.
- Education on benefits of medication assisted treatment and referral to treatment as necessary.

In addition, the state must establish residential treatment provider qualifications in licensure, policy or provider manuals, managed care contracts or credentialing, or other requirements or guidance that meet program standards in the ASAM Criteria or other comparable, nationally recognized, SUD-specific program standards regarding in particular the types of services and hours of clinical care for residential treatment settings. Additionally, the state must establish a requirement that residential treatment providers offer MAT on-site or facilitate access to MAT off-site.

Care Coordination

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver, beneficiaries will have access to improved care coordination and care for comorbid physical and mental health conditions. The state must establish policies to ensure residential and inpatient facilities link beneficiaries with community-based services and supports following stays in these residential and inpatient facilities.

Quality Assurance or Improvement

Substance Use Disorder (SUD): Pursuant to the section 1115 waiver, the state must establish a provider review process to ensure that residential treatment providers deliver care consistent with the specifications in the ASAM Criteria or other comparable, nationally recognized SUD program standards based on evidence-based clinical treatment guidelines for types of services, hours of clinical care, and credentials of staff for residential treatment settings.

Special Populations

Substance Use Disorder (SUD): Researchers did not locate requirements specific to special populations in the Medicaid regulations. Pursuant to the section 1115 waiver, beneficiaries will have access to improved care for comorbid physical and mental health conditions.

Location of Medicaid Requirements

Indiana Medicaid Regulations, Article 1[2]; Article 5[3]; Healthy Indiana section 1115 waiver[4]. Regulatory data collected January 2020.

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[2] See http://iac.iga.in.gov/iac/T04050/A00010.PDF?.

[3] See http://iac.iga.in.gov/iac/T04050/A00050.PDF.

[4] See https://www.medicaid.gov/Medicaid-CHIP-Program-Information/By-Topics/Waivers/1115/downloads/in/in-healthy-indiana-plan-support-20-ca.pdf.

Other Information Sources

Kaiser Family Foundation. State Options for Medicaid Coverage of Inpatient Behavioral Health Services. KFF: San Francisco. November 2019 http://files.kff.org/attachment/Report-Brief-State-Options-for-Medicaid-Coverage-of-Inpatient-Behavioral-Health-Services

This state summary is part of the report **"State Residential Treatment for Behavioral Health Conditions: Regulation and Policy"**. The full report and other state summaries are available at https://aspe.hhs.gov/state-bh-residential-treatment.