

# Centers for Medicare & Medicaid Services

## Medicaid Rehabilitative Services

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# Rehabilitation in Medicaid

Rehabilitation is an optional Medicaid benefit, and currently all States provide some coverage under this benefit category.

# Intent of Rehabilitative Services Rule

In his 2007 budget proposal, the President sought to clarify and refine the rehabilitation benefit through a regulation that will define allowable services and exclude payment for services that are intrinsic to programs other than Medicaid, such as foster care, juvenile justice, and education.

# Intent of Rehabilitative Services Rule (cont.)

- **The Rehabilitation rule is designed to allow for State flexibility and growth in the field of rehabilitative services by setting broad parameters for allowable services rather than defining specific allowable services (e.g. assertive community treatment).**
- **The rule does not address payment methodologies.**

# Rehabilitative Services

- **Proposed rule for Medicaid Coverage of Rehabilitative Services published August 13, 2007 in Federal Register (CMS 2261-P)**
- **[http://www.cms.hhs.gov/MedicaidGenInfo/08\\_Medicaidregulations.asp](http://www.cms.hhs.gov/MedicaidGenInfo/08_Medicaidregulations.asp)**
- **Amends 42 CFR § 440.130 Diagnostic, screening, preventive and rehabilitative services**
- **Creates new section: 42 CFR § 441.45 Rehabilitative Services**
- **60 day public comment period through October 12, 2007**

# Rehabilitative Definition

**Section 1905(a)(13) of the Act and 42 CFR § 440.130(d) provide that States may cover rehabilitative services: “including any medical or remedial services (*provided in a facility, a home, or other setting*) recommended by a physician or other licensed practitioner of the healing arts within the scope of their practice under State law, for the maximum reduction of physical or mental disability and restoration of an individual to the best possible functional level;”.**

# Key Definitions

**Restorative services: Services that are provided to an individual who has had a functional loss and has a specific rehabilitative goal toward regaining that function.**

# Key Definitions (cont.)

**Scope of services: Rehabilitative services may include assistive devices, medical equipment and supplies, not otherwise covered under the plan, which are determined necessary to the achievement of the individual's rehabilitation goals. Rehabilitative services do not include room and board in an institutional or community setting.**

## Key Definitions (cont.)

**Impairments to be addressed: Services provided to the Medicaid eligible individual to address the individual's physical impairments, mental health impairments, and or substance-related disorder treatment needs.**

## Key Definitions (cont.)

Medical services: Services specified in the rehabilitation plan that are required for the diagnosis, treatment, or care of a physical or mental disorder and are recommended by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under State law.

## Key Definitions (cont.)

Remedial services: Services that are intended to correct a physical or mental disorder and are necessary to achieve a specific rehabilitative goal specified in the individual's rehabilitation plan.

# Key Definitions (cont.)

**Under the Direction of: For physical therapy, occupational therapy, and services for individuals with speech, hearing and language disorders, the Medicaid qualified therapist providing direction must meet qualifications at 42 CFR § 440.110.**

- Please note: This definition only applies to the specific services listed above.

## Key Definitions (cont.)

Under the Direction of: The supervision must include face-to-face contact with the beneficiary, prescription of services, reviewing the need for continued services, and acceptance of professional responsibility for the services provided.

## Key Definitions (cont.)

Written rehabilitation plan: The written rehabilitation plan shall be reasonable and based on the individual's condition(s) and on the standards of practice for the provision of rehabilitative services to an individual with the individual's condition(s).

# Written Rehabilitation Plan

**The written rehabilitation plan must meet the following requirements:**

- **Be developed by a qualified provider, with input from the individual and others who are important to the individual. CMS recommends a person-centered planning process**
- **Follow guidance obtained through the active participation of the individual, and/or persons of the individual's choosing, in the development, review, and modification of plan goals and services**

# Written Rehabilitation Plan (cont.)

- **Specify the individual's rehabilitation goals to be achieved, including recovery goals for persons with mental health and/or substance use disorders**
- **Identify the medical and remedial services intended to reduce the identified physical impairment, mental health and/or substance related disorder**

# Written Rehabilitation Plan (cont.)

- Identify the methods that will be used to deliver services (e.g. specific type of therapy)
- Specify the anticipated outcomes
- Indicate the frequency, amount and duration of the services
- Be signed by the individual responsible for developing the rehabilitation plan

# Written Rehabilitation Plan (cont.)

- Indicate the provider(s) of the service(s)
- Specify a timeline for reevaluation of the plan, based on the individual's assessed needs and anticipated progress, but not longer than one year

# Written Rehabilitation Plan (cont.)

- **Be reevaluated with the involvement of the individual, family or other responsible individuals**
- **Be reevaluated including a review of whether the goals set forth in the plan are being met and whether each of the services described in the plan has contributed to meeting the stated goals**

# Written Rehabilitation Plan (cont.)

- If it is determined that there has been no measurable reduction of disability and restoration of functional level, any new plan would need to pursue a different rehabilitation strategy including revision of the rehabilitative goals, services and/or methods.

# Case Record Requirements

- **Providers of rehabilitative services must maintain case records that include:**
  - A copy of the rehabilitative plan
  - The name of the individual
  - The date of the rehabilitative services provided
  - The nature, content, and units of the rehabilitative services
  - The progress made toward the functional improvement and attainment of the individual's goals as identified in the rehabilitative plan and case record

# Excluded Services

- **Rehabilitation services do not include services that are intrinsic elements of programs other than Medicaid including, but not limited to:**
  - Foster care
  - Child Welfare
  - Education
  - Child Care
  - Vocational and prevocational training
  - Housing
  - Parole and probation
  - Juvenile justice
  - Public guardianship

# Excluded Services (cont.)

- Examples
  - **Therapeutic Foster Care: Services furnished by foster care providers to children, except for medically necessary rehabilitation services for an eligible child that are clearly distinct from packaged therapeutic foster care services and that are provided by qualified Medicaid providers**

## Excluded Services (cont.)

- Packaged services furnished by foster care or child care institutions for a foster care child except for medically necessary rehabilitation services for an eligible child that are clearly distinct from packaged therapeutic foster care services and that are provided by qualified Medicaid providers

## Excluded Services (cont.)

- Adoption services, family preservation, and family reunification services furnished by public or private social services agencies
- Routine supervision and non-medical support services provided by teacher aides in school settings

## Excluded Services (cont.)

- **Habilitation Services:** Including services for which FFP was formally permitted under the Omnibus Budget Reconciliation Act of 1989. Habilitation services include services provided to individuals with mental retardation or related conditions.

# Statutory Exclusions

- **Services provided to inmates living in the secure custody of law enforcement and residing in a public institution.**
- **Services provided to residents of an institution for mental disease (IMD) who are under the age of 65, including residents of community residential treatment facilities with more than 16 beds that do not meet the requirement of inpatient psychiatric service for individuals under age 21.**

# Technical Assistance

CMS welcomes and encourages States to seek technical assistance and guidance while in the process of developing State plan amendments, prior to formal submission.

# Contact Information

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