

**Bulletin Number:** MSA 06-50

**Distribution:** PIHPs/CMHSPs

**Issued:** July 17, 2006

**Subject:** Clarification on Extended Observation Beds/Crisis Observation Care

**Effective:** August 17, 2006

**Programs Affected:** Medicaid

The purpose of this bulletin is to clarify the Michigan Department of Community Health (MDCH) policy on Extended Observation Beds for Mental Health care. A recent survey found that PIHPs are using this service out of compliance with the Medicaid Provider Manual standards and criteria. Following review of the existing Medicaid and contract requirements, MDCH is issuing the following bulletin.

- Extended Observation Beds for Mental Health beneficiaries will be hereafter called Crisis Observation Care.
- This service must be provided in a secure, protected, medically-staffed, psychiatrically-supervised inpatient unit that includes an on-site or on-call physician and must meet requirements of Michigan Mental Health Code Chapter 4 and 4a. The utilization of this 1915(b) additional service may be justified for persons who, as a result of a psychiatric disorder, including co-occurring substance disorder, are deemed likely to need protective, psychiatric observation, and supervision for the purpose of additional evaluation and stabilization of a mental disorder, prior to determination of an alternative disposition or movement to a different clinically-appropriate level of care, per Michigan Mental Health Code Section 134.
- This service must not be provided in an emergency room, screening center, inpatient medical floor or inpatient medical observation bed.
- The primary objective of this level of care is for prompt evaluation and/or stabilization of individuals presenting with acute psychiatric symptoms and distress. Before, or at, admission, a comprehensive assessment is conducted and a treatment plan is developed.
- The individual who is admitted to the Crisis Observation Care has the same rights (as defined in Chapter 7 of the Michigan Mental Health Code and other applicable state and federal laws) as an individual who is admitted to the Inpatient Psychiatric Unit.
- The medical record must document that the individual was under the care of a psychiatrist during the period of observation, as indicated by admission, discharge, and other appropriate progress notes that are timed, written, and signed by the physician.
- Duration of services at this level of care must be less than 24 hours, by which time stabilization and/or determination of the appropriate level of care will be made, with facilitation of appropriate treatment and support linkages by the treatment team.

This policy is effective on August 15, 2006 for those PIHPs who are providing this service. The Service Selection Guidelines (SSG) for mental health services that are attached to the MDCH/PIHP contract for the Medicaid Managed Specialty Supports and Services Concurrent 1915(b)/(c) Waiver Program provides the required Severity of Illness and Intensity of Services utilization criteria. There will not be a formal MDCH approval required for this service, however, please notify MDCH through the service agency profile that this service is being utilized by the PIHP prior to providing this service.

### **Manual Maintenance**

Retain this bulletin until the information is incorporated in the Medicaid Provider Manual.

### **Questions**

If you have questions about the manual, or problems locating information, you may contact Provider Inquiry at 1-800-292-2550 or [providersupport@michigan.gov](mailto:providersupport@michigan.gov). If you submit an e-mail, be sure to include your name, affiliation, and a phone number so you may be contacted if necessary.

Approved

A handwritten signature in black ink, appearing to read "Susan Moran". The signature is fluid and cursive, with a long horizontal stroke at the end.

Susan Moran, Acting Deputy Director  
Medical Services Administration