RE: Medical Necessity Distinction: Children’s Residential Facilities (CRF) with Mental Health (MH) certification and Psychiatric Residential Treatment Facilities (PRTF)

Minnesota is experiencing a significant shift in children’s continuum of care. We have developed Psychiatric Residential Treatment Facilities (PRTF) to align with national standards for intensive psychiatric services for children and youth under 21 years old. This created an opportunity to better define how other services, such as children’s residential facilities (CRF) having the certification of Mental Health (MH), fit within the continuum of care, with the goal of ensuring safe and effective treatment for Minnesota’s youth.

A key component to differentiating between CRF with MH certifications and PRTF services is to understand medical necessity and the populations each type of facility is intended to serve. This memo describes how CRF/MH and PRTF differ. **Definitions**

**PRTF:**

- Provides active treatment to children and youth under 21 with complex mental health conditions, including severe aggression and functional impairment
- PRTF is an inpatient level of care provided in a residential facility rather than a hospital. Services are delivered under the direction of a physician seven days per week

**CRF with MH Certification:**

- Provides rehabilitative service to children with Severe Emotional Disturbance (SED) under age 18 to prevent placement in higher levels of care
- Services are delivered under clinical supervision of a mental health professional in a community setting. Must be designed to help child improve family living and social skills
## Medical Necessity Distinction

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<th>Variables</th>
<th>CRF with MH Certification</th>
<th>PRTF</th>
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| **Level of care and eligibility determination** | - Severe Emotional Disturbance (SED), may include mental illness. County pre-placement screening committee makes the determination of necessity or level of care. Significant regional variations exist in the process of determining level of care. Primary diagnosis cannot be substance use disorder. | - Mental illness as defined in most recent version of Diagnostic and Statistical Manual (DSM) [256.0941 Subd. 1 (a)(3)].  
- Industry standardized tool used to determine medical necessity.  
- State medical review agent determines medical necessity [256.0941 Subd. 1 (a)(1)].  
- Primary diagnosis may be substance use disorder.  
- Requires treatment under direction of physician [256.0941 Subd. 1 (a)(5)]. |
| **Level of risk**                  | - Regional variations in level of risk determination. Moderate to high risk as evident by [256.0941 Subd. 1 (a)(3)]. [256.0941 Subd. 1 (a)(3)]: Suicidal ideation.  
- Harm to self or others.  
- Runaway.  
- Sexual acting out. |                                                                      |
| **Support system**                | - Counties and tribes encourage and may include family’s input in out of home placement screening. No clear criterion for support system. | Child’s support system is one or more of the following [256.0941 Subd. 1 (a)(4)]:  
- Unavailable.  
- Unable to ensure safety.  
- High-risk environment.  
- Abusive.  
- Intentionally sabotage treatment.  
- Unable to manage intensity of symptom. |
| **Treatment amenability or Past unsuccessful treatment** | - No prior evidence of poor treatment amenability to prior interventions required. Need for active treatment not evident. | Clear evidence from child’s records that past treatment interventions have been unsuccessful [256.0941 Subd. 1 (a)(6)]. These may include:  
- Psychiatric hospitalizations.  
- Residential treatment.  
- Treatment foster care.  
- Intensive outpatient.  
- Any combination of the above. |

### Memo Template

- Inability to negotiate needs

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Require constant redirection
Unable or unwilling to follow simple directions
Behavior is due to symptoms of psychiatric illness

Sources reviewed:

Minnesota Statutes 256B.0945 Services for Children with Emotional Disturbance
Minnesota Statutes 245.4882 Residential Treatment Services
Minnesota Statutes 245.4885 Screening for Inpatient and Residential Treatment
Minnesota Statutes 256B.0941, Psychiatric Residential Treatment Facility for Persons Younger Than 21 Years of Age.
Minnesota Statutes 256B.0625, Subdivision 45a, Psychiatric Residential Treatment Facility Services for Persons Younger than 21 Years of Age.
Code of Federal Regulations: 42 CFR §441.151 through 441.182, for Inpatient Psychiatric Services for Individuals Under Age 21.

Review of county placement and screening criteria based on the responses received from the County Directors during the period of July 20-August 3, 2018.

Disclaimers: This comparison is based on the review conducted between 7/20-8/3/18 of the material mentioned in this document. It should be noted that CRF and PRTF are dissimilar in the nature, scope and purpose of treatment with regards to CRF being an out-of-home, foster care placement and PRTF a medically necessary inpatient psychiatric admission. PRTF is not an out-of-home placement.

Only the following CRF/MH programs were referenced in this document.

It should also be noted that counties do not seem to have a universal criteria to utilize the same placement or screening criteria for CRF and that placement decisions are most often based on consensus among screening team members (family, MHP, case manager, PO, SW, county attorney, etc.).

More information about PRTF and CRF

- Behavioral Health Division providers page of the Department of Human Services’ website.
- MHCP Provider Manual section: Psychiatric Residential Treatment Facility (PRTF)
- MHCP Provider Manual section: Children’s Mental Health Residential Treatment facility (CRF)