

STATE OF WISCONSIN  
 Department of Health Services  
 Division of Mental Health and Substance Abuse Services

**DMHSAS Numbered Memo 2008-09**  
**Date:** September 29, 2008  
**Index Title:** RATE INFORMATION FOR  
 BILLING FOR SERVICES  
 PROVIDED BY THE MENTAL  
 HEALTH INSTITUTES

**To:** Listserv

**For:** County Departments of Community Programs Directors  
 County Departments of Developmental Disabilities Services Directors  
 County Departments of Human Services Directors  
 County Departments of Social Services Directors

**From:** John Easterday  
 Administrator

**Subject:** RATE INFORMATION FOR BILLING FOR SERVICES PROVIDED BY THE MENTAL  
 HEALTH INSTITUTES

### Document Summary

Each year, the Wisconsin Department of Health Services reviews and revises the rates charged for services at the mental health institutes. The mental health institute rates are effective October 12, 2008.

The Wisconsin Department of Health Services develops and approves the rates for the mental health institutes. Rates are based on the actual cost of providing these services and the availability of third party revenues such as Medicare and Medicaid. Increasing the Medicaid funding to approximate costs enabled the Department to set lower rate increases than would otherwise be necessary at the mental health institutes. The state rate for the mental health institutes is comparable to, if not less than, the rates of other Wisconsin psychiatric facilities offering similar services. The **October 12, 2008** average daily inpatient room rate increase is **9.5 percent** for Mendota Mental Health Institute and **11.0 percent** for Winnebago Mental Health Institute.

### RATE SCHEDULE MENTAL HEALTH INSTITUTES October 12, 2008 - September 30, 2009

PER DAY INPATIENT RATE	MENDOTA	WINNEBAGO
Adult Psychiatric Services	\$ 811	\$ 807
Geropsychiatric	851	
Child/Adolescent	830	783
Forensic - Maximum Security	811	
Other Security Levels	742	807
TLC/STEP/Gemini/Anchorage		807
Emergency Detention Add-On for first three days of service (plus intervening weekends and legal holidays)	\$200	\$200
Non-typical Services Add-On	200	200

	MENDOTA AND WINNEBAGO
DAY SCHOOL	\$ 30.00 per hour

Per s. 51.42(3)(as)2, the county has 60 days to pay the bill. If payment is not received within 60 days, the amount will automatically be deducted from the county's next allotment check.

**MEDICARE PART A REIMBURSEMENT:** There is a difference in the appearance of the billing from the State for patients at Mendota Mental Health Institute and Winnebago Mental Health Institute. Due to changes at the Centers for Medicare and Medicaid Services (CMS), Medicare Part A reimbursement for inpatient services at the State Mental Health Institutes will be based on the Inpatient Psychiatric Facility Prospective Payment System (IPFPPS) for Medicare Part A discharges after July 1, 2005. Reimbursement will be based on 15 psychiatric Diagnostic Related Groups (DRG) with associated adjustment factors. Medicare payments on the county monthly billing will vary by DRG instead of the previous per diem amount. Timing of the reimbursements will also change. The IPFPPS system has modified the billing time frames and these changes will result in delays in reimbursement from Medicare Part A. Preliminary calculations and information from CMS indicate there will not be any change in the amount to be reimbursed to the counties for patients covered by Medicare Part A. The change will be in the method used to calculate the reimbursement amount. The CMS website has additional background information available on IPFPPS at: <http://www.cms.hhs.gov/providers/ipfpps/>.

**NON-TYPICAL SERVICES:** The Department seeks to minimize shifting costs whenever possible. Under a straight flat-rate system, some costs would be shifted to counties who are responsible for patients who do not have extraordinary costs. To minimize this, the non-typical costs are broken out separately from the flat rate, and only the counties who have the patients requiring these unusual services incur these costs.

When a patient requires non-typical services or non-emergency outpatient medical care, the county will be notified 48 hours prior to initiating services and, in emergency situations, within 8 hours of initiating services. Notification will be by mail or FAX. The county is afforded the opportunity to discuss the situation with a representative of the institute empowered to act on behalf of the institute. The county and institute may agree to an alternative course of action or the county may request the discharge of the patient. If the county agrees to the proposed course of action or there is no agreement, the institute will continue the course of action and the county will be liable for the charges.

**INPATIENT MEDICAL RELATED HOSPITALIZATION:** When a patient requires inpatient hospitalization outside an institute, the county will be notified within 8 hours of initiating services. Notification will be by mail or FAX. The responsible entity will be billed directly by the outside organization for the hospitalization and all outside costs associated with it. The patient will be discharged to the outside organization for the period of hospitalization and re-admitted to the institute when discharged from the outside organization. The county is not billed daily institute rates during outside hospitalization. For billing purposes, the patient is considered an inpatient for each day s/he resides in the institute at midnight.

**PAYMENT FOR EVALUATION OR TREATMENT ORDERED BY A JUVENILE COURT UNDER CHAPTER 938, WIS. STATS.:** Medicaid (MA) will not pay for court ordered evaluation or treatment services provided to a juvenile under chapter 938 because these services are not considered to be medically necessary (the same as for services provided under the adult criminal code in sections 971.14 and 971.17, Wis. Stats.). Therefore, the county that orders evaluation or treatment services under chapter 938 is responsible for payment for these services, as required under sections 938.295, 938.34(6)(a), (b), and (c), 938.361, and 938.362, Wis. Stats. The county of the court ordering the examination or treatment will receive the bill. The rates charged to the county are based on the daily rates of the unit where the juvenile resides during his/her stay at the institute.

The only exception to county financial responsibility is when alcohol or other drug abuse treatment is determined to be medically necessary under paragraph 938.34(6)(am), in which case MA may pay for the service that is provided in an approved alcohol or substance abuse treatment unit.

**COURT-ORDERED ADULT COMPETENCY EVALUATION CHARGES:** s. 51.42(3)(as)1m allows the state to bill for stays at the institutes beginning 48 hours, not including weekends and legal holidays, after

notification the evaluation is completed. This statute states, "A county department of community programs located in the county of the court ordering the examination, shall reimburse a mental health institute at the institute's daily rate for custody of any person who is ordered by the court to be examined at the mental health institute under s. 971.14(2) for all days that the person remains in custody at the mental health institute, beginning 48 hours, not including Saturdays, Sundays, and legal holidays, after the sheriff and county department receive notice under s. 971.14(2)(d) that the examination has been completed."

**DEFINITIONS:**

**Non-typical Services** - services not normally required by a patient; e.g., 1:1 coverage greater than 4 hours within a 24-hour period for additional management and monitoring of dangerous patients' behaviors such as self-harm, harm to others, suicide precautions and other behaviors deemed too severe to be managed within typical staffing patterns. Non-typical Services also include increased costs to provide mental health services specific to a particular patient, e.g. interpreter services for deaf or non-English speaking patients.

**Emergency Situation** - a situation whereby a physician using his/her medical judgment determines serious harm will result to the patient if the proposed action is delayed 48 hours; e.g. hospitalization, outpatient medical care, or non-typical services.

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MEMO WEB SITE: [http://dhfs.wisconsin.gov/dsl\\_info/](http://dhfs.wisconsin.gov/dsl_info/)

cc Area Administrators/Area Coordinators  
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County IM Managers/Supervisors/Lead Workers  
County/Tribal Aging Directors  
DMHSAS/DES Facility Central Office Staff  
DMHSAS/DLTC Institute/Center Directors  
DD Service Coordinators  
Mental Health Coordinators  
Program Bureau Directors/Section Chiefs  
Substance Abuse Coordinators  
Tribal Chairpersons/Human Services Facilitators