

Residential Treatment Center (RTC) Care

Issue Date: March 13, 1992

Authority: [32 CFR 199.4\(b\)\(4\)](#) and [32 CFR 199.6\(b\)\(4\)\(vii\)](#)

1.0 BACKGROUND

1.1 In the National Defense Authorization Act for Fiscal Year 1991 (NDAA FY 1991), Public Law (PL) 101-510 and the Defense Appropriations Act for 1991, PL 101-511, Congress firmly addressed the problem of spiraling costs for mental health services. Motivated by the desire to bring mental health care costs under control, Congress in both the Authorization and Appropriations Acts established certain benefit changes and management procedures. These statutes made two principal changes. First, they established new day limits for inpatient mental health services and secondly, they mandated prior authorization for all nonemergency inpatient mental health admissions, with required certification of emergency admissions within 72 hours.

1.2 The NDAA FY 2015, Section 703, signed into law on December 19, 2014, removed TRICARE statutory limitations on inpatient mental health services (30 days for adults, 45 days for children) and RTC care for children (150 days), including the corresponding waiver provisions. The removal of inpatient days for mental health services, which placed quantitative limitations on mental health treatment that do not exist for medical or surgical care, is consistent with principles of mental health parity. Further, the Department believes these changes will reduce stigma and enhance access to care, which continue to be high priorities within the Department of Defense (DoD). As a result, inpatient mental health services, regardless of length/quantity, may be covered as long as the care is considered medically or psychologically necessary and appropriate.

2.0 POLICY

Preadmission and continued stay authorization are required for care in an RTC. Admission to an RTC is considered elective and not of an emergency nature. For admissions to an RTC, a **TRICARE authorized independent mental health provider** shall recommend admission. Admission to an RTC primarily for **Substance Use Disorder (SUD)** rehabilitation is not authorized.

3.0 POLICY CONSIDERATIONS

Medical and psychological necessity will determine the Length-of-Stay (LOS) for treatment in an RTC. The contractor shall use established criteria **as outlined in paragraph 3.2** for preadmission, concurrent review, and continued stay decisions.

3.1 Treatment of Mental Disorders

In order to qualify for admission to an RTC, a **TRICARE authorized independent mental health**

provider shall recommend that the child be admitted to the RTC. The child must be diagnosed as suffering from a mental disorder, according to the criteria listed in the current edition of the **Diagnostic and Statistical Manual of Mental Disorders** (DSM). Benefits are limited for certain mental disorders, such as specific learning disorders (see [Section 3.6](#)). No benefits are payable for "Conditions Not Attributable to a Mental Disorder", or International Classification of Diseases, 9th Revision, Clinical Modification (ICD-9-CM) **V** codes, or International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) **Z** codes. **Co-occurring mental and SUDs are common and assessment should proceed as soon as it is possible to distinguish the substance related symptoms from other independent conditions.** In order for treatment of a mental disorder to be medically or psychologically necessary, the patient must, as a result of a diagnosed mental disorder, be experiencing both physical or psychological distress and an impairment in his or her ability to function in appropriate occupational, educational or social roles. It is generally the degree to which the patient's ability to function is impaired that determines the level of care (if any) required to treat the patient's condition.

3.2 Criteria for Determining Medical or Psychological Necessity

In determining the medical or psychological necessity of services and supplies provided by RTCs, the evaluation conducted by the Director, Defense Health Agency (DHA) (or designee) shall consider the appropriate level of care for the patient, the intensity of services required by the patient, and the availability of that care. RTC services and supplies shall not be considered medically or psychologically necessary unless, at a minimum, all the following criteria are clinically determined in the evaluation to be fully met:

3.2.1 Patient has a diagnosable **mental health** disorder.

3.2.2 Patient exhibits patterns of disruptive behavior with evidence of disturbances in family functioning or social relationships and persistent psychological and/or emotional disturbances.

3.2.3 RTC services involve active clinical treatment under an individualized treatment plan that provides for:

3.2.3.1 Specific level of care, and measurable goals/objectives relevant to each of the problems identified;

3.2.3.2 Skilled interventions by qualified mental health professionals to assist the patient and/or family;

3.2.3.3 Time frames for achieving proposed outcomes; and

3.2.3.4 Evaluation of treatment progress to include timely reviews and updates as appropriate of the patient's treatment plan that reflects alterations in the treatment regimen, the measurable goals/objectives, and the level of care required for each of the patient's problems, and explanations of any failure to achieve the treatment goals/objectives.

3.2.4 Unless therapeutically contraindicated, the family and/or guardian must actively participate in the continuing care of the patient either through direct involvement at the facility or geographically distant family therapy. (In the latter case, the treatment center must document that there has been collaboration with the family and/or guardian in all reviews.)

3.3 Preauthorization Requirements

3.3.1 All admissions to RTC care are elective and must be certified as medically/psychologically necessary prior to admission. The criteria for preauthorization shall be those set forth in [paragraph 3.2](#). In applying those criteria in the context of preadmission authorization review, special emphasis is placed on the development of a specific diagnosis/treatment plan, consistent with those criteria and reasonably expected to be effective, for that individual patient.

3.3.2 Preauthorization requests should be made not less than two business days prior to the planned admission. In general, the decision regarding preauthorization shall be made within one business day of receipt of all information for a request for preauthorization, and shall be followed with written confirmation.

3.4 Payment Responsibility

Any admission to an RTC obtained without requesting preadmission authorization or rendered without following concurrent review requirements, in which the services are determined excluded by reason of being not medically necessary, is not the responsibility of the patient or the patient's family until:

3.4.1 Receipt of written notification by TRICARE or a TRICARE contractor that the services are not authorized; or

3.4.2 Signing of a written statement from the provider which specifically identifies the services which will not be reimbursed. The beneficiary must agree, in writing, to personally pay for the non-reimbursable services. General statements, such as those signed at admission, do not qualify.

3.4.3 See the TRICARE Reimbursement Manual (TRM), [Chapter 1, Section 28](#) and [Chapter 3, Section 4](#) for policies on payment reductions.

3.5 Concurrent Review

Concurrent review of the necessity for continued stay in an RTC will be conducted no less frequently than every 30 days. The criteria for concurrent review shall be those set forth in [paragraph 3.2](#). In applying those criteria in the context of concurrent review, special emphasis is placed on evaluating the progress being made in the active individualized clinical treatment being provided and on developing appropriate discharge plans. In general, the decision and notification regarding concurrent review shall be made within three business days of the review.

4.0 EFFECTIVE DATES

4.1 RTC services provided on or after October 1, 1991.

4.2 Removal of day limits in any fiscal year for TRICARE beneficiaries for the provision of RTC care on or after December 19, 2014.

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