



### **Medicaid Services Restoration Act Summary (H.R. 4787/S. 1217)**

First introduced in the 110th Congress in response to a series of extremely restrictive Medicaid regulations, the Medicaid Services Restoration Act would protect vital Medicaid services for vulnerable populations such as children and youth involved in our nation's child welfare and foster care systems, individuals with disabilities, and children and adults with mental illness. The legislation would also provide a transparent funding stream for the evidence-informed and highly effective placement for children and youth with serious medical, psychological, emotional and social needs known as therapeutic foster care (TFC). Under the Medicaid Restoration Act,

- TFC Services available for Medicaid reimbursement would be defined as those:
  - Provided for children/youth who have not reached age 21;
  - Provided for children who as a result of mental illness, other emotional or behavioral disorders, medically fragile conditions, or developmental disabilities need the level of care normally provided in an institution (including PRTF) or nursing facility but who can be cared for and maintained in the community;
  - That have been licensed by State and accredited by Joint Commission on Accreditation of Healthcare Organizations, Commission on Accreditation of Rehabilitation Facilities or the Council on Accreditation;
  - That provide various structured daily activities, including the development, improvement, monitoring, and reinforcing of age-appropriate social, communication, and behavioral skills, crisis intervention and crisis support services, medication monitoring, counseling, and case management, and that may furnish other intensive community services; and
  - That provides specialized training and consultation to foster parents.
  
- TFC Services would be supported by creating a medical assistance category would be created under Medicaid by which therapeutic foster care services.
  
- Rehabilitative Services would be supported by:
  - Permitting states to use reasonable and efficient payment methodologies for rehabilitative services;
  - Amending the definition of rehab services to include restoration of an individual to the best possible functional level, and attainment or retention of an individual's best possible functional status;
  - Clarifying that Medicaid will reimburse for medical/surgical services for children receiving inpatient psychiatric services in psychiatric hospitals or psychiatric residential treatment centers, to ensure that Medicaid-eligible children under 21 receive EPSDT services as required by law; and
  - Permitting Medicaid reimbursement for rehab services provided by qualified providers in non-medical programs (i.e. foster care, child welfare, JJ, etc), so

long as the State or local agency is complying with in-place third party liability rules.

- Case Management Services are protected by:
  - Permitting states to use reasonable and efficient payment methodologies for case management services;
  - Clarifying that Medicaid will continue to reimburse for case management services offered by qualified providers;
  - Codifying the *Olmstead Policy* to ensure support for those transitioning from an institution to the community within the last 180 days of their stay; and
  - Explicitly permitting states to use multiple case managers to manage the needs of Medicaid beneficiaries when necessary.