



SUMMARY: Medicaid Services Restoration Act (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). For additional information, contact Laura Weidner at lweidner@cwla.org.

In Regards to Therapeutic Foster Care (TFC):

- A medical assistance category would be created under Medicaid by which therapeutic foster care services could be reimbursed.
- 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 provide specialized training and consultation to foster parents.

In Regards to Rehabilitative Services:

- Would permit states to use reasonable and efficient payment methodologies for rehab services, including fee-for-service, case rates, daily rates, or other forms of capitated payment [Sec. 102]
- Would amend the definition of rehab services to include restoration of an individual's best possible functional level, or attainment or retention of an individual's best possible functional status [Sec. 103]
- Clarifies 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 [Sec. 104]
- Permits Medicaid reimbursement for rehab services provided by qualified providers in non-medical programs (foster care, child welfare, JJ, etc), so long as the State or local agency is complying with in-place third party liability rules [Sec. 105]

In Regards to TCM Services:

- Would permit states to use reasonable and efficient payment methodologies for TCM services, including fee-for-service, case rates, daily rates, or other forms of capitated payment [Sec. 202]
- Would permit Medicaid reimbursement for TCM services offered by staff of non-medical programs or those who contract with non-medical programs, so long as they are qualified providers, the case management services are distinct from direct services of the non-medical program, and the State or local agency is complying with in-place third party liability rules [Sec. 201; Sec. 204]
- Would protect case management services offered to those transitioning from an IMD to the community for up to the last 180 days of their stay (the *Olmstead* policy) [Sec. 204]
- Would permit states to use multiple case managers when necessary [Sec. 205]