

Clinical Policy: Geropsychiatric Units in Nursing Facilities

Reference Number: WNC.CP.211

Last Review Date:

Coding Implications

Revision Log

See Important Reminder at the end of this policy for important regulatory and legal information.

Note: When state Medicaid coverage provisions conflict with the coverage provisions in this clinical policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this clinical policy.

Description¹

This policy describes the medical necessity criteria for Geropsychiatric Units in Nursing Facilities.

Policy/Criteria¹

- I. It is the policy of WellCare of North Carolina® that only members who meet nursing facility level of care criteria and have serious and persistent mental illness (SPMI) diagnoses are eligible for this nursing facility service.
 - A. To qualify for **placement** in a geropsychiatric nursing specialty unit, a Member shall meet **all** of the following criteria:
 1. The Member has an SPMI as defined by the following:
 - a. The Member has a major mental disorder diagnosable under the Diagnostic and Statistical Manual of Mental Disorders, including, but not limited to, schizophrenia, bipolar disorder major depression, schizoaffective disorder, schizophreniform disorders, and psychotic disorder NOS (not otherwise specified).
 - b. Prior to admission, the Global Assessment of Functioning (GAF) score is 40 or lower.
 2. The level of impairment is confirmed by a level II Pre-Admission Screening and Resident Review (PASRR) evaluation (42 CFR 483.128). PASRR II screening confirms the diagnosis of an SPMI, and recommends additional supportive therapies such as occupational, physical, recreational, and creative expressive arts. The Resource Regulatory Management Section, Program Accountability Team, is responsible for ensuring PASRR compliance. All SPMI persons seeking admission to nursing facilities must be confirmed as mentally ill and have related challenging and difficult psychiatric and behavioral health needs. Members must be evaluated to determine whether the nursing facility is the most appropriate placement and whether they require specialized and/or enhanced behavioral health services.

Note: Refer to clinical coverage policy WNC.CP.234, Nursing Facility Services at: [WellCare North Carolina Provider Clinical Guidelines](#).

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3. The Member is currently in a psychiatric hospital; or has had one or more past hospitalizations; or is exhibiting behaviors that place him or her at risk of psychiatric hospitalization in a State, public, or private psychiatric hospital in the State of North Carolina.
 4. The Member exhibits chronic, unsafe behaviors that cannot be managed in a traditional nursing facility, including **one** of the following:
 - a. Elopement or wandering.
 - b. Combative and assaulting behaviors (physical or verbal abuse toward staff, or self-abuse).
 - c. Sexually inappropriate behaviors (touching or grabbing others, for example).
 - d. Self-endangering behaviors and medicine noncompliance.
 - e. Other challenging and difficult behaviors related to the member's psychiatric illness.
 5. Alternative services to meet the member's behavioral health needs are not available, or are not required.
- B. Discharge Criteria** - Discharge from a geropsychiatric unit is contingent upon::
1. The consistent **absence** of unsafe behaviors (as outlined in Criteria I.A.4) in a consistently structured geropsychiatric specialty nursing unit **and**
 2. The anticipation that the Member will not exhibit unsafe behaviors if transitioned from the geropsychiatric unit, as evidenced by trial stays on a regular nursing unit, during which unsafe behaviors are not observed.
 3. **In addition** to the above criteria, the following must be considered prior to discharge:
 - a. Monitoring of medication stability and/or consistency.
 - b. Treatment compliance.
 - c. Appropriate living arrangements upon discharge.
 - d. Arrangement of aftercare for continued services in the community, with family or legal guardian support and involvement.

***Note:** These criteria must be closely observed and monitored during a continuous period of at least **three** months.*

Background¹

Units in nursing facilities that provide skilled nursing services for geriatric members who are diagnosed with a severe and persistent mental illness (SPMI) are referred to as geropsychiatric units. Such units are comprised of geriatric members with long-term psychiatric and behavioral health needs who exhibit challenging and difficult behaviors that are beyond the management capacity of traditional skilled nursing home facilities in community-based facilities. (A more detailed definition appears in Criteria I., above.) The service provides both skilled nursing care that has traditionally been provided to geriatric members on long-term-care units in psychiatric facilities and enhanced levels of supervision and management for the behavioral and psychiatric needs of persons who have SPMI diagnoses. Members of these services exhibit chronic, unsafe behaviors that cannot be managed in a traditional nursing facility but can be managed with reassurance and appropriately trained and enhanced staff.

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- I. Provider Qualifications and Occupational Licensing Entity Regulations, Staffing Requirements, and Service Requirements:** For additional details, please refer to North Carolina Medicaid State Policy site for Geropsychiatric Units in Nursing Facilities 2B-2 at: [Program Specific Clinical Coverage Policies| NC Medicaid \(ncdhhs.gov\)](https://www.ncdhhs.gov/Program-Specific-Clinical-Coverage-Policies/NC-Medicaid)
- II. FOR AUTHORIZATION REQUIREMENTS,** please refer to [WellCare of North Carolina Authorization Lookup Tool](#); [WellCare of North Carolina Medicaid Behavioral Health Authorization List](#); and [WellCare of North Carolina Medicaid Behavioral Health Authorization Guidelines and FAQ](#), for details.

Coding Implications

This clinical policy references Current Procedural Terminology (CPT®). CPT® is a registered trademark of the American Medical Association. All CPT codes and descriptions are copyrighted 2025, American Medical Association. All rights reserved. CPT codes and CPT descriptions are from the current manuals and those included herein are not intended to be all-inclusive and are included for informational purposes only. Codes referenced in this clinical policy are for informational purposes only. Inclusion or exclusion of any codes does not guarantee coverage. Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

Reviews, Revisions, and Approvals	Reviewed Date	Approval Date
Original approval date	04/21	05/21
Annual Review	10/21	02/22
Annual Review	11/22	11/22
NCHC verbiage removed from NC Guidance Verbiage.	04/23	04/23
Annual Review.	08/23	08/23
Annual Review. Changed ‘beneficiary’ to ‘member’ CPT/HCPCS/ICD-10 code boxes removed. Removed “Medicaid and health choice” verbiage from References.	08/24	08/24
Deleted Criteria I.B. Continued Stay Criteria. Criteria I.C. Text changed to “Discharge from a geropsychiatric unit is contingent upon:” Background paragraph 2, Moved “Resource Regulatory Management section” to Criteria I.A.2. Background I. added “Provider Qualifications and Occupational Licensing Entity Regulations, Staffing Requirements, and Service Requirements” reference and link. Background II. Added Authorization Requirements.	12/24	12/24
Annual Review. Criteria I.A.2 Note, Criteria I.B.1. and Background added Non criteria changes for clarity. Under NC Guidance/Claims related information, updated state web address.		

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References

State of North Carolina Medicaid Clinical Coverage Policy No: 2B-2 Geropsychiatric Units in Nursing Facilities. [Program Specific Clinical Coverage Policies | NC Medicaid \(ncdhhs.gov\)](https://www.ncdhhs.gov/Program-Specific-Clinical-Coverage-Policies-NC-Medicaid). Published January 1, 2025. Accessed May 1, 2025.

North Carolina Guidance

Eligibility Requirements

- a. An eligible beneficiary shall be enrolled in the NC Medicaid Program (Medicaid is NC Medicaid program, unless context clearly indicates otherwise);
- b. Provider(s) shall verify each Medicaid beneficiary's eligibility each time a service is rendered.
- c. The Medicaid beneficiary may have service restrictions due to their eligibility category that would make them ineligible for this service.

EPSDT Special Provision: Exception to Policy Limitations for a Medicaid Beneficiary under 21 Years of Age

- a. 42 U.S.C. § 1396d(r) [1905(r) of the Social Security Act]
Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) is a federal Medicaid requirement that requires the state Medicaid agency to cover services, products, or procedures for Medicaid beneficiary under 21 years of age if the service is medically necessary health care to correct or ameliorate a defect, physical or mental illness, or a condition [health problem] identified through a screening examination (includes any evaluation by a physician or other licensed practitioner).

This means EPSDT covers most of the medical or remedial care a child needs to improve or maintain his or her health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

Medically necessary services will be provided in the most economic mode, as long as the treatment made available is similarly efficacious to the service requested by the beneficiary's physician, therapist, or other licensed practitioner; the determination process does not delay the delivery of the needed service; and the determination does not limit the beneficiary's right to a free choice of providers.

EPSDT does not require the state Medicaid agency to provide any service, product, or procedure:

1. that is unsafe, ineffective, experimental, or investigational.
2. that is not medical in nature or not generally recognized as an accepted method of medical practice or treatment.

Service limitations on scope, amount, duration, frequency, location of service, and other specific criteria described in clinical coverage policies may be exceeded or may not apply as long as the provider's documentation shows that the requested service is medically necessary "to correct or ameliorate a defect, physical or mental illness, or a condition" [health

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problem]; that is, provider documentation shows how the service, product, or procedure meets all EPSDT criteria, including to correct or improve or maintain the beneficiary's health in the best condition possible, compensate for a health problem, prevent it from worsening, or prevent the development of additional health problems.

EPSDT and Prior Approval Requirements

1. If the service, product, or procedure requires prior approval, the fact that the beneficiary is under 21 years of age does NOT eliminate the requirement for prior approval.
2. **IMPORTANT ADDITIONAL INFORMATION** about EPSDT and prior approval is found in the *NCTracks Provider Claims and Billing Assistance Guide*, and on the EPSDT provider page. The Web addresses are specified below:

NCTracks Provider Claims and Billing Assistance Guide:

<https://www.nctracks.nc.gov/content/public/providers/provider-manuals.html>

EPSDT provider page: <https://medicaid.ncdhhs.gov/>

Provider(s) Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for the procedure, product, or service related to this policy, the provider(s) shall:

- a. meet Medicaid qualifications for participation;
- b. have a current and signed Department of Health and Human Services (DHHS) Provider Administrative Participation Agreement; and
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

Compliance

Provider(s) shall comply with the following in effect at the time the service is rendered:

- a. All applicable agreements, federal, state, and local laws and regulations including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements; and
- b. All NC Medicaid's clinical (medical) coverage policies, guidelines, policies, provider manuals, implementation updates, and bulletins published by the Centers for Medicare and Medicaid Services (CMS), DHHS, DHHS division(s) or fiscal contractor(s).

Claims-Related Information

Provider(s) shall comply with the NC Tracks Provider Claims and Billing Assistance Guide, Medicaid bulletins, fee schedules, NC Medicaid's clinical coverage policies and any other relevant documents for specific coverage and reimbursement for Medicaid:

- a. Claim Type - as applicable to the service provided:
Professional (CMS-1500/837P transaction)
Institutional (UB-04/837I transaction)
Unless directed otherwise, Institutional Claims must be billed according to the National Uniform Billing Guidelines. All claims must comply with National Coding Guidelines.
- b. International Classification of Diseases and Related Health Problems, Tenth Revisions, Clinical Modification (ICD-10-CM) and Procedural Coding System (PCS) - Provider(s) shall report the ICD-10-CM and Procedural Coding System (PCS) to the highest level of

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specificity that supports medical necessity. Provider(s) shall use the current ICD-10 edition and any subsequent editions in effect at the time of service. Provider(s) shall refer to the applicable edition for code description, as it is no longer documented in the policy.

- c. Code(s) - Provider(s) shall report the most specific billing code that accurately and completely describes the procedure, product or service provided. Provider(s) shall use the Current Procedural Terminology (CPT), Health Care Procedure Coding System (HCPCS), and UB-04 Data Specifications Manual (for a complete listing of valid revenue codes) and any subsequent editions in effect at the time of service. Provider(s) shall refer to the applicable edition for the code description, as it is no longer documented in the policy. If no such specific CPT or HCPCS code exists, then the provider(s) shall report the procedure, product or service using the appropriate unlisted procedure or service code.

Unlisted Procedure or Service

CPT: The provider(s) shall refer to and comply with the Instructions for Use of the CPT Codebook, Unlisted Procedure or Service, and Special Report as documented in the current CPT in effect at the time of service.

HCPCS: The provider(s) shall refer to and comply with the Instructions For Use of HCPCS National Level II codes, Unlisted Procedure or Service and Special Report as documented in the current HCPCS edition in effect at the time of service

- d. Modifiers - Providers shall follow applicable modifier guidelines.
- e. Billing Units - Provider(s) shall report the appropriate code(s) used which determines the billing unit(s).
- f. Co-payments -
For Medicaid refer to Medicaid State Plan:
<https://medicaid.ncdhhs.gov/meetingsnotices/medicaid-state-plan-public-notices>
- g. Reimbursement - Provider(s) shall bill their usual and customary charges. For a schedule of rates, refer to: <https://medicaid.ncdhhs.gov/>.

Important Reminder

This clinical policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this clinical policy; and other available clinical information. The Health Plan makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this clinical policy. This clinical policy is consistent with standards of medical practice current at the time that this clinical policy was approved. “Health Plan” means a health plan that has adopted this clinical policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any of such health plan’s affiliates, as applicable.

The purpose of this clinical policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering

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benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, conditions, exclusions, and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable Health Plan-level administrative policies and procedures.

This clinical policy is effective as of the date determined by the Health Plan. The date of posting may not be the effective date of this clinical policy. This clinical policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this clinical policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. The Health Plan retains the right to change, amend or withdraw this clinical policy, and additional clinical policies may be developed and adopted as needed, at any time.

This clinical policy does not constitute medical advice, medical treatment, or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care, and are solely responsible for the medical advice and treatment of members/enrollees. This clinical policy is not intended to recommend treatment for members/enrollees. Members/enrollees should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this clinical policy are independent contractors who exercise independent judgment and over whom the Health Plan has no control or right of control. Providers are not agents or employees of the Health Plan.

This clinical policy is the property of the Health Plan. Unauthorized copying, use, and distribution of this clinical policy or any information contained herein are strictly prohibited. Providers, members/enrollees, and their representatives are bound to the terms and conditions expressed herein through the terms of their contracts. Where no such contract exists, providers, members/enrollees and their representatives agree to be bound by such terms and conditions by providing services to members/enrollees and/or submitting claims for payment for such services.

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