Background and Milestones

Intermediate Care Facilities for People with Mental Retardation (ICFs/MR)

Intermediate care facility for people with mental retardation (ICF/MR) services are an optional Medicaid benefit. Section 1905(d) of the Social Security Act created this benefit to fund "Institutions" (four or more beds) for people with mental retardation or other related conditions, and specifies that these institutions must provide "active treatment," as defined by the Secretary.

The ICF/MR Program was established in 1971 when legislation was enacted which provided for Federal financial participation (FFP) for ICFs/MR as an optional Medicaid service. Congressional authorization for ICF/MR services as a state plan option under Medicaid allowed states to receive Federal matching funds for institutional services that had been funded with state or local government money.

To qualify for Medicaid reimbursement, ICFs/MR must be certified and comply with Federal standards (referred to as Conditions of Participation, found in Federal regulations at 42 CFR Part 483, Subpart I, Sections 483.400- 483.480) in eight areas, including management, client protections, facility staffing, active treatment services, client behavior and facility practices, health care services, physical environment and dietetic services.

Currently, there are 7,400 ICFs/MR. This program serves approximately 129,000 people, and all individuals receiving ICF/MR services must financially qualify for Medicaid assistance. Most of the individuals who receive care provided by ICF/MR have other disabilities as well as mental retardation. Many of the people who are served by this program are also non ambulatory, have seizure disorders, behavior problems, mental illness, are visually-impaired or hearing-impaired, or have a combination of these conditions.

An institution for persons with mental retardation or other related conditions, according to Federal regulations at 42 CFR 435.1009, is defined as an institution (or distinct part of an institution) that:

(a) Is primarily for the diagnosis, treatment, or rehabilitation for people with mental retardation; and

(b) Provides, in a protected residential setting, ongoing evaluation, planning, 24-hour supervision, coordination, and integration for health or rehabilitative services to help individuals function at their greatest ability. ICF/MR services are defined in regulations (42 CFR 440.150) as those items and services furnished in an intermediate care facility for people with mental retardation if the following conditions are met:

1. The facility fully meets the requirements for a State license to provide services that are above the level of room and board;
2. The primary purpose of the ICF/MR is to furnish health and rehabilitative services to persons with mental retardation or persons with related conditions;
3. The ICF/MR meets the standards specified in Subpart I of part 483 of this chapter;
4. The recipient with mental retardation for whom payment is requested is receiving active treatment, as specified in 483.440 of this chapter; and
5. The ICF/MR has been certified to meet the requirements of Subpart C of part 442 of the chapter, as evidenced by a valid agreement between the Medicaid agency and the facility for furnishing ICF/MR services and making payments for these services under the plan.

ICF/MR services may be furnished in a distinct part of a facility other than an ICF/MR if the distinct part 1) Meets all requirements for an ICF/MR, as specified in Subpart I of part 483 of this chapter; 2) Is clearly an identifiable living unit, such as an entire ward, wing, floor or building; 3) Consists of all beds and related services in the unit; 4) Houses all recipients for whom payment is being made for ICF/MR services; and 5) Is approved in writing by the survey agency.

In 1996, HCFA updated ICF/MR survey guidelines, revised the ICF/MR survey process, conducted extensive training and implemented the revised process, and updated the psychopharmacological medications resource.

In an effort to ensure a smooth transition to the new survey process, the Division of Outcomes and Improvement (DOI) designed a monitoring system that includes an optional feedback tool for providers. In addition, all HCFA Regions have been asked to conduct "Partnership" surveys, joint surveys with the State agencies. Feedback from the Partnership surveys and the providers will assist in evaluating how the revised survey protocol is received by the provider community and to plan for future training and survey activities.

MILESTONES IN THE ICF/MR PROGRAM

1967 Legislation authorizing the Medicaid ICF benefit

1971 Legislation authorizing the Medicaid ICF/MR benefit

1977 40 States participating with one or more large state facilities Office of the General Counsel rules that private ICF/MR facilities can be covered

1978-1980 States expend nearly $1 billion to obtain ICF/MR certification for large facilities

1981 HCFA Interpretive Guidelines issued for small ICF/MR facilities (those serving 15 or less)

1988 Current outcome-based ICF/MR standards issued

1993 First year that a majority of ICF/MR beneficiaries will beserved in privately operated facilities

1995 Workgroup convened to rewrite ICF/MR survey protocol Updated Interpretive Guidelines published: includes Compliance Level Principles and Facility Practice Statements

1996 Updated ICF/MR Survey Protocol PublishedPsychopharmacological Medications: Safety Precautions for Persons with Developmental Disabilities - Published

1997 Initiated ICF/MR National Satellite Training Broadcasts -Addressed Interviewing Individuals, also Aging Issues