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## HOUSE BILL NO. 2301

Offered January 18, 2021

A *BILL to direct the Department of Medical Assistance Services to develop and implement a plan that directs and guides Medicaid managed care organizations in decisions regarding authorization of therapeutic day treatment for children and adolescents and a process for reviewing appeals of such decisions.*

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 Patron—Bell
 

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Referred to Committee on Health, Welfare and Institutions

**Be it enacted by the General Assembly of Virginia:**

1. § 1. That the Department of Medical Assistance Services (the Department) shall develop and implement a plan that directs and guides Medicaid managed care organizations in authorizing school-based therapeutic day treatment for children and adolescents during the transition to the full implementation of redesigned school-based services to minimize gaps in therapeutic day treatment coverage during the transition period. Such plan shall:

1. State the criteria used by the Department for determining whether therapeutic day treatment services are appropriate for a child or adolescent and, in cases in which therapeutic day treatment services are determined to be appropriate, the appropriate number of units of such treatment for the child or adolescent;

2. Include a process for ensuring that any decision of a managed care organization to deny coverage of therapeutic day treatment or to reduce the number of units of therapeutic day treatment authorized for a child or adolescent is consistent with the Department's criteria, including provisions for (i) review by the Department of denials of coverage for therapeutic day treatment or reduction in the number of units of therapeutic day treatment authorized for a child or adolescent to determine consistency with the criteria and (ii) modification of a managed care organization's decision to deny coverage for therapeutic day treatment or reduce the number of units therapeutic day treatment authorized for a child or adolescent;

3. Provide for the collection and review of data and information including:

a. The number of children and adolescents receiving therapeutic day treatment prior to July 1, 2019, for whom therapeutic day treatment has been denied after July 1, 2019;

b. Changes in the average unit authorization for therapeutic day treatment per client per day, beginning July 1, 2019;

c. Description of programs and services provided to children and adolescents for whom therapeutic day treatment has been denied after July 1, 2019, that are intended to serve as an alternative to therapeutic day treatment and the number of cases in which such services have been provided; and

d. Changes in the number and rates of psychiatric hospitalizations, emergency room visits, use of services funded through the Children's Services Act, use of crisis services, arrest and incarceration, and morbidity for clients denied therapeutic day treatment or for whom access to therapeutic day treatments is or was reduced, beginning July 1, 2019.

§ 2. The Department shall annually evaluate the criteria used by the Department for determining whether therapeutic day treatment services are appropriate for a child or adolescent and, in cases in which therapeutic day treatment services are determined to be appropriate, the appropriate number of units of such treatment for the child or adolescent to determine the continued appropriateness of such criteria. Such evaluation shall include consideration of data and information described in subdivision 3 of § 1.

§ 3. The Board of Medical Assistance Services shall report quarterly beginning October 1, 2021, to the Secretary of Health and Human Resources and the Chairmen of the House Committee on Appropriations and Senate Committee on Finance and Appropriations, regarding (i) the criteria and process established pursuant to subdivisions 1 and 2 of § 1 and any changes thereto and (ii) the most recent data and information collected pursuant to subdivision 3 of § 1.

2. That the Department of Medical Assistance Services (the Department) shall (i) implement an appeals process for reviewing any decision of a managed care organization to deny coverage of therapeutic day treatment or to reduce the number of units of therapeutic day treatment authorized for a child or adolescent and (ii) include in any contract entered into between the Department and a managed care organization on or after January 1, 2022, a requirement that the managed care organization comply with the decision of the Department regarding any such appeal, including any decision regarding the modification of the decision to deny coverage of

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