

WHAT IS AN IMD?

Under Medicaid, an IMD is an Institution for Mental Diseases:

- “Facilities of more than 16 beds primarily engaged in providing diagnosis, treatment or care of persons with mental diseases.” Mental diseases include all mental and substance use disorders identified in the DSM (other than V codes). Beds may be counted cumulatively across multiple facilities, locations and programs, if owned and governed by the same entity.
- IMD is not a licensing category, it is a description of characteristics. The facility does not have to be licensed as a health care facility to be considered to be an IMD by CMS. Merely having more than 16 beds and more than 50% of residents with a DSM diagnosis can trigger such a finding. Congregate care facilities licensed by child welfare authorities are one potential example of excluded IMDs.
- The Medicaid IMD exclusion prohibits federal financial participation for any otherwise covered Medicaid service for people “residing” in IMDs, except:
 - The exclusion does not apply at all to Medicaid enrollees aged 65 and older.
 - The exclusion does not apply to non-elderly adults (aged 22-64) in an inpatient psychiatric unit of a general hospital.
 - The exclusion does not apply to non-elderly adults (22-64) enrolled in Medicaid managed care programs, for IMD admissions of up to 15 days in a month.
 - There is a partial exception to the IMD exclusion for Medicaid enrollees under age 21, for inpatient psychiatric hospital services, referred to as the “Psych Under-21 benefit.”
 - The Psych Under-21 benefit may only be delivered in three types of facilities: psychiatric hospitals, psychiatric units of general hospitals, or Psychiatric Residential Treatment Facilities (PRTFs), as defined in federal Medicaid regulations.
- The IMD exclusion may be waived by CMS for certain Section 1115 waivers requested by states. Medicaid funds may not be used to cover room and board in the waived IMDs, the waivers must be cost-neutral to the federal government, and there are expectations for community-based services that states must meet or report on.
 - CMS issued guidance in 2015 and amended it in 2017, about IMD waivers for time-limited substance use disorder treatment.
 - CMS issued guidance in 2018 about IMD waivers for time-limited mental health treatment, but only for adults aged 22-64.

