

# Self-Evaluation for States

## Preadmission Screening and Resident Review (PASRR)

### Purpose of this self-evaluation:

1. To clarify the Federal requirements for the PASRR program;
2. To provide states with a means to assess the compliance of its PASRR program.

**Organization:** This self-evaluation is organized by PASRR functions, and as much as possible, in the order in which those functions occur in practice. This differs from the organization of the regulations, and is done to overcome some common points of confusion and to group items for easier evaluation. (To find discussion by regulation number, view the file electronically and search for the section number. e.g., “.110”. Not every section is cited.) Since states differ in the organization and nomenclature of their PASRR programs, we present some background information before each section to clarify the aspect of PASRR being considered, and to address known problems.

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## Instructions:

- The columns in the tables labeled “compliance”, provide a place to record how your PASRR program complies with Federal requirements, and any changes needed.
- This is a self-assessment; there is no requirement to submit the results to CMS.
- While states implement PASRR uniquely, each section of this document applies to all states.
- This document is intended to highlight key provisions of the PASRR regulations and problem areas from the 2001 Office of Inspector General (OIG) report on PASRR (OEI-05-99-00700).
- PASRR statutes are at §§1919(b)(3)(E)&(F), and 1919(e)(7) of the Social Security Act. The basis for CMS monitoring is at §1919(f)(8). (§1919 is also referenced as 42 U.S.C. 1396q)
- This document is largely, but not completely, inclusive of PASRR regulations, particularly 42 CFR Part 483, Subpart C, and is not meant to reinterpret them or change policy. CFR citations given in the tables refer to 42 CFR. The CFR may be found at <http://www.gpoaccess.gov/cfr/>
- PASRR terminology varies by state. The relevant PASRR regulation is cited in most parts of this document to more clearly define the aspect of PASRR being discussed. A table is provided to correlate state and Federal terms.
- States may define “specialized services” (SS) as services provided in the nursing facility (NF), or define SS as services not provided in a NF, e.g., in a psychiatric hospital or ICF/MR. (See [SS](#), page 15.) Under the latter definition, several PASRR requirements do not apply, and others have a different effect. In order to differentiate clearly, requirements that apply only to states that provide SS in the NF will be so noted and underlined, and REQUIREMENTS THAT APPLY ONLY TO STATES THAT PROVIDE SERVICES OUTSIDE THE NF WILL BE SO NOTED AND SET IN SMALL CAPS.
- Note that the CFR is not current concerning Resident Review. Revision in 1996 of §1919(e)(7)(B)(iii) replaced annual review with review upon a change in condition. (See [Resident Review](#) page 14.) As of May 2005, amended regulations to reflect this change have not been adopted. Therefore, 42 CFR 483.114(c), .122(b) and other references to *annual* resident review in the CFR are not operative — states must be guided by the statute.

## Technical Assistance:

While we made every effort to be accurate and as clear as possible in this transmittal, we anticipate questions and encourage you to contact us for technical assistance:

- Or your Regional Office PASRR contacts <http://www.cms.hhs.gov/about/regions/professionals.asp>
- Dan Timmel, [daniel.timmel@cms.hhs.gov](mailto:daniel.timmel@cms.hhs.gov), (410) 786-8518, CMS Central Office

**Abbreviations used in this document:**

- |            |   |                |   |
|------------|---|----------------|---|
| <b>CFR</b> | Code of Federal Regulations   | <b>RR</b>      | Resident Review   |
| <b>LOC</b> | Level of Care   | <b>SMHA</b>    | State Mental Health Authority   |
| <b>MI</b>  | Mental Illness  | <b>SMRA</b>    | State Mental Retardation Authority  |
| <b>MR</b>  | Mental Retardation. (In this document the term refers to MR and Related Conditions, as defined in 42 CFR 483.102(b)(3) and §435.1009.)                          | <b>SMH/MRA</b> | State Mental Health and/or Mental Retardation Authority                     |
| <b>NF</b>  | Nursing Facility. CFR term for a Medicaid-certified facility or part of a facility. A Medicare certified facility is known as a Skilled Nursing Facility (SNF). | <b>SMA</b>     | State Medicaid Agency   |
| <b>PAS</b> | Preadmission Screening  | <b>SMI</b>     | Serious Mental Illness (As defined for PASRR purposes)                      |
|            |   | <b>SS</b>      | Specialized Services  |
|            |   | <b>SRS</b>     | Specialized Rehabilitative Services. (Provided by NF, lower level than SS.) |

**Comparison of State and Federal Terminology**

**States terms for PASRR functions may differ from those in Federal regulation.**

The following table may be completed and used by states to help persons familiar only with state terms to accurately interpret the PASRR Self Evaluation or other Federal PASRR guidance.

Add additional rows, and terms, as needed.

<b>Term in Federal Regulation</b>	<b>Term in State usage</b>
Preadmission Screening	
Resident Review	
State Medicaid Agency	
State Mental Retardation Authority	
State Mental Health Authority	
NF Level Of Care (LOC)	
Specialized Services (SS)	
Specialized Rehabilitative Services	

## Introduction

PASRR was intended by Congress to prevent long term nursing home placement of individuals who can not be cared for adequately in that setting due to serious mental illness or mental retardation. Any individuals with these conditions who are determined by thorough evaluation to be appropriate for admission to a nursing facility must be provided the mental health/mental retardation services that they require.

While this is a simple statement of purpose, in the following pages are a great many technical requirements and details. The Centers for Medicare and Medicaid Services above all wishes to achieve the intent of PASRR. Therefore, in addition to offering technical assistance and carrying out our responsibility to oversee these regulations, we will encourage states to develop the capacity to demonstrate the desired outcomes: that individuals are reliably identified and evaluated, appropriately placed, and effectively served.

If state Medicaid, mental health, and mental retardation agencies decide that they jointly wish to identify, place and serve this populations effectively, PASRR can be an effective structure to use in doing so. If one or more of these agencies works to accomplish the goal in a manner other than PASRR, it may be possible to identify components of the alternative programs that satisfy PASRR regulations, but compliance could be an issue. On the other hand, it is possible to construct paper compliance with the Federal PASRR regulations in a manner that may not accomplish the simple but very important intent of the statute. We therefore urge the users of this document to keep the purpose of PASRR in mind while evaluating specific programs details.

## PASRR Responsibilities and General Procedures

### 1) Responsibilities and Agency Relationships

#### *Background:*

**The state Medicaid agency (SMA)** has the overall responsibility for the state PASRR program. A PASRR program is a required element in the Medicaid state plan (42 CFR 483.104). As such, SMA responsibilities include auditing and enforcement functions, and funding PASRR activities. For example,

- SMAs should monitor, and have data to demonstrate, that the state's PASRR program prevents inappropriately admitting persons with MI/MR to nursing facilities (NFs).
- SMAs should monitor and be able to demonstrate that the PASRR process results in meaningful clinical information available on the current NF medical record for every NF resident determined by PASRR to have SMI and/or MR.

**The state mental health authority (SMHA)** is responsible for making the mental illness (MI) Specialized Services (SS) and Nursing Facility (NF) determinations, based upon an evaluation conducted by an independent entity.

**The state mental retardation authority (SMRA)** is responsible for the mental retardation (MR) evaluation and the SS and NF determinations. In this document, "Mental Retardation" and "MR" refer to Mental Retardation and Related Conditions (42 CFR 483.102(b)(3) and §435.1009.)

Action: Assure that the responsibilities for each agency listed below are met. (This list is not exhaustive; it summarizes major duties and known problems.)

Responsibilities of State Agencies		Compliance	
Requirement		Y/N	Actions needed to Comply
<b>State Medicaid Agency</b>			
1	Ensures that all requirements of §§483.100-138 are met. [431.621(c)(8), and 483.104]		
2	Develops written agreements with SMHA and SMRA, per §431.621, including required components in 483.621(c).		
3	Assures that the SMH/MRA fulfill their statutory responsibilities and comply with the regulations. [431.621, 483.104]		
4	Approves the PASRR evaluation instruments developed by the SMHA and SMRA.		
5	Assures that placement options comply with §§483.130(m) and 483.118.		
6	Sees that NFs comply with any PASRR functions assigned by the state. E.g., required PASRR documentation is in charts, and reflected in the care plan.		
7	Requires that no person be admitted to a Medicaid certified NF without a PASRR Level I Screen.		
8	Defines NF level of care (LOC) criteria.		
9	Withholds Medicaid payment for any person with SMI/MR who is admitted to a NF without PASRR Level II evaluation and determinations, until required Level II PAS is completed. [483.122(b)]		
10	Withholds Medicaid payment for any resident with SMI/MR who remains in a NF contrary to PASRR rules.		
11	Assures that persons who may have SMI <i>and</i> MR receive <i>both</i> MI and MR evaluations. [483.102]		
12	Designates the independent persons or entities to perform Level II MI evaluations. [431.621(c)(7)]		
13	Monitors Resident Reviews, assuring that NFs report significant changes in physical or mental status to the SMH/MRA in coordination with routine resident assessments (MDS) [483.108(c)], and that the SMH/MRA perform Level II evaluations and determinations when indicated, per §1919(e)(7)(B)(iii), (notwithstanding CFR references to “annual” review, which was repealed.)		
14	Monitors provision of specialized services (SS). [483.120(b) and [483.118(c)(iv)]		
15	Sees that Level II determinations are made within an annual average of 7-9 working days of a Level I identification. [483.112(c)]		

Responsibilities of State Agencies		Compliance	
		Y/N	Actions needed to Comply
16	Makes reciprocal out-of-state agreements, or out-of-state PASRR provider agreements, and pays for the PAS and RR if not provided by the other state. [483.110]		
<b>State Mental Health Authority</b>			
17	Makes timely determinations based on independent Level II evaluations conducted on NF applicants and residents. [483.106(d)(1), 483.112(c)]		
18	Determinations and evaluation reports contain all required information, including any MI needs to be addressed in the NF plan of care. Although the SMHA does not perform the evaluation, it receives the evaluation report and as a practical matter the report may be part of or attached to the determination notice produced by the SMHA. [483.128(h)&(i)]		
19	Notifies the SMA of any NF resident with SMI whom the SMHA becomes aware of that did not receive a Level II evaluation before admission, and any problems with PASRR that are the SMHA's responsibility to address.		
<b>State Mental Retardation Authority</b>			
20	Conducts a Level II evaluation for each NF applicant or resident identified by a Level I screen as possibly having MR or a related condition. [483.106(a),(d),483.136(c)]		
21	Makes timely determinations on Level II evaluations conducted on NF applicants or residents. [483.112(c)]		
22	Determinations and evaluation reports contain all required information, including any MR needs to be provided by the NF. [483.128(h)&(i)]		
23	Notifies the SMA of any NF resident with MR who is discovered not to have received a Level II evaluation before admission, and any problems with PASRR that are the SMA's responsibility to address.		

**2) General Procedures**

Background:

**Delegation:** Agencies may delegate or subcontract certain PASRR functions, but only those for which they specifically have responsibility. Agreements must be clear that the delegating agency is actively maintaining its responsibility for those functions.

**Other General Procedures:** §433.15(b)(9) provides for PASRR activities conducted by the state to be matched at 75% administrative FFP.

Action: Review agency functions, contracts, and administrative procedures. Assure that

PASRR — General Procedures		Compliance	
Requirement	Y/N	Actions needed to Comply	
<p>1 If the SMA, SMHA, and SMRA delegate, by subcontract or agreement(s), the functions of evaluation and determination for which they are responsible: [483.106(e)]</p> <p>a) The SMA, SMRA and SMHA retain ultimate control and responsibility for the performance of their functions [483.106(e)(1)(i)];</p> <p>b) The state Medicaid agency retains overall responsibility for the state PASRR program;</p> <p>c) For MI <i>Evaluation</i>, the SMA conducts or delegates this function to a person or entity that is independent from the SMHA [483.106(e)(2) and (3)];</p> <p>d) PASRR Level II functions are not delegated to a NF or an entity that has a direct or indirect affiliation or relationship with a NF [483.106(e)(1)(iii)]; and</p> <p>e) Determinations for NF and Specialized Services are made on consistent analysis of data. [483.106(e)(1)(ii)]</p>			
<p>2 If the agencies have delegated responsibility to another person or entity, agreements and contracts are in place to fulfill all requirements.</p>			
<p>3 The persons or entities making the Level II determinations understand and meet all PASRR requirements.</p>			
<p>4 When more than one evaluator performs a PASRR Level II evaluation, there is interdisciplinary coordination among the evaluators. [483.128(d)]</p>			
<p>5 Level II Determinations are made within an annual average of 7-9 working days after the SMHA or SMRA are notified of a referral from Level I [483.106(c)]</p>			
<p>6 As defined in §483.106 (b), all individuals with SMI or MR to be admitted to a Medicaid-certified NF (regardless of payment source) are subject to PAS. All NF residents are subject to RR upon change in condition.</p>			
<p>7 Level II evaluations are conducted within 40 days of admission for persons who were exempted from evaluation under the “exempted hospital discharge”, but whose stays are longer than anticipated. (See Level I Identification Screen, <a href="#">Exempted Hospital Discharge</a>, page 11, below)</p>			
<p>8 Level II evaluations involve participation with:</p> <ul style="list-style-type: none"> <li>• The individual</li> <li>• The individual’s legal representative, if any</li> <li>• The individual’s family, if available and agreed to by the individual or legal representative [483.128,(c)]</li> </ul>			

<b>PASRR — General Procedures</b>		<b>Compliance</b>	
Requirement	Y/N	Actions needed to Comply	
9 Level II evaluations and determination notices are adapted to the culture, language, ethnic origin, and means of communication used by the individual being evaluated [483.128(b)]			
10 The state PASRR system retains evaluation and determination records for a reasonable time (not less than 3 years) in order to support its determinations, and to protect individual’s appeal rights. [483.130(o)]			
11 The state PASRR program has a tracking system for all individuals with SMI/MR in NFs to ensure performance of resident reviews, and for appeals. [483.130(p)]			
12 The SMA may not countermand a SMH/RA determination. The responsibility, and the expertise for do			

## Level I PASRR — Identification Screen

### Background:

**Purpose of Level I:** *To identify all persons who must have the Level II Preadmission Screening (PAS) or Resident Review (RR); that is, identify all applicants to and residents of Medicaid-certified nursing facilities (NFs) who possibly have serious mental illness (SMI), or mental retardation or a related condition (MR)<sup>1</sup>. Medicaid-certified includes Medicaid distinct parts of facilities, or dually certified Medicare/Medicaid facilities or distinct parts.*

**When Level I Identification screens are performed:**

*Before NF admission, for all applicants to a Medicaid-certified nursing facility (NF), regardless of whether Medicaid is payor. It is possible that individuals may be admitted to a non-Medicaid certified part of a nursing home e.g., under Medicare (SNF), and then require movement to the Medicaid, (or dually certified) part of the facility for long-term care. A Level I screen would be required before occupying the Medicaid-certified or dually certified bed.*

**Procedures for Level I screens:** *Level I is a simple, preliminary screen. States are free to specify the methods used to identify possible MI/MR, as long as the outcomes can be shown to be accurate. The procedures and instruments adopted by the SMA and training or other requirements for screeners should be documented.*

**Personnel Qualifications:** *States determine the personnel qualifications for conducting the Level I identification screens, and for deciding whether an advance determination by category applies (which is a Level II Function, see [Categorical Determinations](#) page 17). For example, some states permit hospital and NF staff to perform Level I screens, while other states require the same level of qualified mental health professional for Level I as Level II. Studies indicate that in some states, Level I screeners are not capable of discovering previously undiagnosed individuals, understanding the role of dementia, distinguishing potentially serious mental illness from lower level conditions, and so on. Note that flexibility in Federal requirements re Level I screener qualifications does not reduce the SMA's responsibility for accurate screens. Training requirements are not a substitute for state evidence of monitoring for accurate screens.*

**Scope of the Level I Screen:** *Level I screeners do not make or verify a diagnosis or draw conclusions about severity of illness, whether dementia is primary, or need for service*

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<sup>1</sup> **Definitions of MI and MR:** For PASRR purposes, mental illness is defined in 42 CFR 483.102(b)(1) as one of the serious mental illnesses listed therein. The regulation refers to DSM-III-R, rather than specifying the most current edition of the DSM, because the regulation here is defining who is covered by the rule. If tied to future DSM editions, the population covered by the regulation would change with each alteration in definitions, without respect to the intent of the PASRR statute. Therefore, while CMS understands that states and providers will use the current edition of the DSM and generally accepted definitions of MI in evaluation and treatment, applicability of PASRR is determined by relating the current definitions to the corresponding DSM-III-R categories listed in §483.102(b)(1). For example, the PASRR definition of MI excludes persons who have organic brain disorder, (a DSM-III-R term not in current use,) unless the person has a primary diagnosis of a mental illness. Rather than ignoring this provision because the term "organic brain disorder" will not appear in patient records, the evaluator should relate the DSM-III-R organic brain disorder categories to current diagnostic groups to determine whether the individual has MI for PASRR purposes.

Similarly, the regulation refers to DSM-III-R in defining Dementia, [483.102(b)(2)], and to the 1983 edition of the American Association on Mental Retardation Manual on Classification in Mental Retardation to define MR and related conditions [483.102(b)(3)]. Current editions of these publications may be used in PASRR evaluations, but diagnoses must be related to the versions cited in CFR in order to determine whether an individual has a condition covered by PASRR.

[483.128(a)]. The screener only looks for available information and assessments made by other qualified persons to draw one of three conclusions:

- Documented evidence is sufficient to rule out MI/MR.
- MI/MR cannot be ruled out, and a Level II Evaluation is required.
- Documented information is sufficient to apply certain predetermined criteria (see hospital exemption and categorical determinations).

As with any wide screening process, the goal of Level I is to identify all individuals who have, or might have, the target conditions, (i.e., for the well being of beneficiaries, there should be no false negatives), while keeping to a minimum the number of individuals who are subsequently ruled out by the more expensive Level II evaluation process (i.e., for efficiency and economy, and to speed placements, the state will wish to reduce false positives). Most states choose to achieve this balance by specifying a low level of professional qualification for Level I screeners, who will be more widely available than Level II evaluators. Some states address both efficiency and accuracy by using a centralized process in which screeners submit their findings to more highly qualified persons for a decision.

**Exempted Hospital Discharge:** During the Level I screening, the law allows states to decide that the Level II evaluation and determination may be omitted when an individual is discharged from an acute hospitalization directly to a NF for continued treatment of a condition expected to require less than 30 days of services, and meeting the criteria listed in the table below. The exemption does not waive PASRR requirements generally, only the Level II process during the 30-day period. As noted in the previous section, [hospital exemptions over 30 days](#), page 11, any exempted individuals must be tracked so that stays exceeding 30 days trigger a Level II evaluation.

**Dementia:** The effect of dementia in establishing a diagnosis for PASRR purposes is frequently misunderstood. Upon noting dementia, a Level I screen must continue, to look for possible MR or SMI. [483.102(b)(2)]. Presence of dementia in a Level I screen does not “exempt” the individual from all PASRR requirements. Rather, a Level I screen may conclude that the individual has dementia and:

- has no evidence of MR, and either no evidence of SMI or a documented assessment that dementia is primary; therefore does not have MI for PASRR purposes, and no Level II Evaluation is needed [483.102(b)(1)(i)(B), .102(b)(2), and .128(m)(2)].
- a primary diagnosis of SMI and secondary dementia; therefore has MI for PASRR purposes and requires Level II [ibid].
- also has MR; therefore has MR for PASRR purposes, and needs Level II evaluation [483.102(b)(2) defining dementia, and .102(3) defining MR, do not indicate either condition is exclusive of the other]. Or, application of a categorical determination that the individual with MR does not require SS, but does need an individualized NF evaluation [483.130(h), which indicates MR or a related condition may exist in combination with dementia].
- The evidence about dementia is insufficient, and Level II Evaluation is needed.

Assessing the ascendancy of co-morbid dementia with diagnosed or possible SMI is beyond the capability of Level I screeners, unless the state requires sufficient professional qualifications for Level I screeners to perform that role. By “primary diagnosis”, we mean an explicit statement by a physician (or other professional qualified under state law) concerning which condition has progressed to be the primary diagnosis. Unacceptable would be:

- a Level I screening tool in which a check box for presence of dementia stops the assessment, or automatically leads to the conclusion that the individual does not have MI for PASRR purposes.
- a Level I screener relying on the order in which conditions are listed on a summary or medical record to determine “primary” condition, unless it is clear that the qualified professional rank-ordered the list and there is data to support the conclusion.
- confusing a categorical determination that an individual with a dual diagnosis of MR or related conditions with dementia does not require SS, with a “dementia exemption” from PASRR.

Action: Review your state's Level I screening form and all of the procedures related to identifying each person who is required to have a Level II preadmission screening or a resident review. Assure that

Level I — Identification Screen		Compliance	
Requirement		Y/N	Actions needed to Comply
1	There are written procedures designating responsibility for performing Level I screens, specified forms or instruments, and training requirements for screeners.		
2	Every new admission to a Medicaid-certified NF, (or distinct part), regardless of payment source and known diagnosis, receives a Level I screen before admission, [483.102(a), 483.106(a), 483.122(b)]; including those who meet the hospital discharge exemption from Level II. [483.106(b)(2)]		
3	The Level I screen identifies persons <i>likely</i> to have SMI/MR; i.e., it does not include a Level I screener <i>making or confirming a diagnosis</i> of SMI or MR (which requires MH/MR qualified personnel, and is a Level II function). [483.128(a)]		
4	Level I screeners notify the state mental health or mental retardation authorities when a person is suspected of having SMI or MR. Both agencies are notified when both SMI and MR are suspected. The notification is documented , in writing or electronically.		
5	Only those who meet the hospital discharge exemption criteria are exempt from Level II screening: <ul style="list-style-type: none"> <li>• direct transfer from hospital;</li> <li>• requires NF services for condition for which care was given in a hospital;</li> <li>• and, attending physician has certified that less than 30-day stay is likely. [483.106(b)(2)]</li> </ul>		
6	There is a system for tracking individuals who are suspected of having SMI/MR and are admitted to a NF under the hospital discharge exemption. The system requires NFs to notify the mental health or mental retardation authority when stays near the 30 <sup>th</sup> day.		

Level I — Identification Screen		Compliance	
Requirement	Y/N	Actions needed to Comply	
<p>7 Persons with dementia are not “<i>exempted</i>” from PASRR Level I or II. Documented evidence of primary dementia will yield a Level I <i>conclusion</i> that no MI is present for PASRR purposes, and screening may stop. Otherwise, the screening process continues, to look for the possibility of SMI. If SMI is documented or possible, and there is no documented assessment that dementia is primary, the individual is referred for Level II evaluation of the comorbidity. When MR is present or suspected, presence of dementia has no effect, except when the state plan includes a categorical determination that SS are not needed for a person with dual diagnosis of MR and Dementia. [483.102]</p>			
<p>8 There are procedures and training for NF staff regarding notification responsibility when a NF resident, not previously identified as having SMI/MR, displays behaviors that indicate need for a Level II evaluation (Resident Review), and a means to evaluate whether the procedures are followed.</p>			
<p>9 For first time identifications, written notice is provided to the individual (and legal representative) that SMI or MR is suspected or known, and referral is being made to the SMHA or SMRA for Level II. [483.128(a)]</p>			

## Level II PASRR — Evaluation and Determinations

### Background:

**Purpose of Level II:** *To comprehensively evaluate individuals identified in Level I as suspected or known to be affected by SMI or MR, (PAS), or evaluate NF residents due to a change in condition, (RR), and make two determinations — whether NF is appropriate (“needs NF”<sup>2</sup>), and whether the person needs Specialized Services. IN STATES THAT DEFINE SPECIALIZED SERVICES AS PROVIDED IN ACUTE SETTINGS NOT IN A NF, IN PRACTICE, A DETERMINATION THAT THE PERSON’S TOTAL NEEDS ARE SUCH THAT SS ARE NEEDED WILL AUTOMATICALLY DETERMINE THAT NF IS NOT NEEDED AT THIS TIME.*

**Types of Determination:** *PASRR determinations are made in one of two ways:*

- *Determinations based upon an individualized evaluation, or*
- *Advance determinations by category, also called categorical determinations.*

**Order of the Process:** *Following is a description of steps in the PASRR Level II process ordered according to dependence on previous steps being completed. This is not meant to dictate a specific protocol or terminology to states.*

- *If a state has established advance determinations by category in the state plan (see Categorical Determinations, page 17), the first step in Level II is to decide whether one or more of the categorical criteria are indicated by an individual’s Level I screen. This process includes an analysis of select medical records or other presenting information to determine whether there is current and sufficient information to support the categorical determination. In some categorical determinations, the NF determination can be applied, but an individualized SS evaluation will be needed.*
- *If data is not current or sufficient, or if a categorical determination is not applicable, an individualized evaluation is required.*
- *An individualized evaluation is performed, resulting in an Individualized Evaluation Report. The evaluation report provides summary information for the person/legal representative, the individual’s attending physician and other providers.*
- *The evaluation is the basis for determining the individual’s need for NF and SS. The determinations result in a Determination Notice.*
- *Placement is made in the most appropriate setting for the individual, whether institutional or community-based. Regardless of where the individual is placed, Specialized Services, if determined to be needed, are provided by the state.<sup>3</sup> INSTITUTIONAL SS ARE PROVIDED BY THE STATE, IF DETERMINED TO BE NEEDED.<sup>4</sup>*
- *RR: NFs notify the SMH/MRA when any residents previously identified as having SMI or MR experience a change in mental or physical condition. The SMH/MRA decides when a Level II re-evaluation is needed. The SMH/MRA is also notified to evaluate any NF residents newly demonstrating the possibility of SMI/MR.*

<sup>2</sup> PASRR statute and regulation use the term “need” for NF, and need for SS to describe the two determinations. However, as discussed under PASRR and NF LOC on page 14, the word “need” can be misleading as applied to NF. Anyone meeting a state’s NF LOC may be said to “need” NF; yet PASRR is designed to bar admission or continued residence in a NF to anyone with SMI/MR who meets NF LOC but whose total needs cannot be met in a NF. This is articulated most clearly at 42 CFR 483.126, where the word “appropriate” is used to describe the NF determination. Therefore, the word “appropriate” is used in place of, or in addition to “need” in this document.

<sup>3</sup> In states that provide SS in NFs (In this document requirements pertaining to this definition of SS are underlined)

<sup>4</sup> In states that provide SS in institutions other than NF (IN THIS DOCUMENT REQUIREMENTS PERTAINING TO THIS DEFINITION OF SS ARE SET IN SMALL CAPS.)

Accordingly, information in this section is presented in the following order 1) General Procedures, 2) Categorical Determinations, 3) Individualized Evaluations, and 4) Individualized Determinations.

## 1) General Procedures

### Background:

**Preadmission Screening (PAS):** The Level II PAS is performed *before* admission to a NF.

**Resident Review (RR):** Level II RR is the same evaluation and determination process as PAS, but in regard to persons already residing in a NF. RR is performed when a NF resident, previously unidentified, is first suspected of having SMI /MR, or when a resident with identified SMI or MR demonstrates a significant change in physical or psychological status. NFs do not generally have qualified staff to judge which changes may require reassessment of need and care. States must therefore devise a system to trigger RR that places the judgment outside of the NF. Given the requirement at 483.108(c) to coordinate PASRR as much as possible with the resident assessment process, and given relatively high NF compliance with MDS requirements, states should consider the MDS in designing the RR process. As an example, RR may be accomplished by the NF (or an automated system) forwarding to the SMH/MRA or designated entity every MDS change in condition form for Level II residents, so that appropriate expertise may be used to determine whether a reassessment is required.

Note that the requirements for Resident Review in statute at §1919(e)(7)(B)(iii) were revised in 1996. Formerly the frequency of RR was “not less than annual”. The requirement is now to re-review whenever a significant change occurs in physical or mental condition of a resident with SMI/MR. Prior to this change, Resident Review was called Annual Resident Review, and PASRR was known as PASARR. However, the regulation has not yet been revised to reflect this change. Therefore, 42 CFR §§483.114(c) and (d), 483.122(b), and any other references to annual resident review in the Code of Federal Regulations are not operative, and states must be guided by the new statute requiring RR upon change in condition.

**Evaluation Criteria:** The evaluation criteria and determination processes for PAS are identical to that for RR, except for provisions concerning placement options for long-term residents for whom NF services are not appropriate.

**Level of Care:** The individual must meet the state requirements for NF Level of Care<sup>5</sup> (LOC). PASRR applies to residents of or applicants to Medicaid NFs. While it is true that the SMH/MRA PASRR determinations cannot be overruled by the SMA [483.108(a)], this does not mean that these agencies can disregard State NF LOC criteria [483.108 (b)]. If a Medicaid beneficiary does not meet NF LOC, the individual cannot apply to a NF, and the SMH/MRA does not have any basis to evaluate the individual under PASRR. (LOC is beyond the scope of this document, but note that the Medicaid NF benefit does not require a physical diagnosis. See §1919(a).)

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<sup>5</sup> When Medicaid is not paying, the applicant to a NF facility is subject to PASRR, but may not be subject to the state's NF LOC criteria. Thus the possibility exists that a non-Medicaid applicant could fail to meet the state NF level of care, but be found in need of NF services by PASRR, e.g., for respite. The Level II evaluation must consider community and other placement options before recommending NF.

**Placement Options:** *The Level II evaluation must assess whether the individual would be best served by alternatives to institutional placement. This requirement is directly relevant to the ADA and the Olmstead decision, and states should consider whether PASRR is a component of their Olmstead planning process.*

**Inter-facility Transfer or Readmission:** *Inter-facility transfers and readmissions from hospital care are not considered new admissions subject to PAS [483.106(b)], only RR applies. However, Level II determinations are facility-specific, and when the determination mentions a specific NF, or services not common to all NFs, any transfer must take into account the needs and service requirements that led to the previous PAS or RR decision. A new Level II review may be needed in this situation.*

**Evaluating MI and MR:** *The PASRR program evaluates two distinctly different populations — persons who have serious MI and persons with MR or related conditions. The process and requirements differ for each group; therefore, there will be separate Level II evaluation forms (or distinct sections) for MI and for MR.*

**Definition of Specialized Services (SS):** *§483.120 [see also §§.112(b), .124, and .130 (n)] provides criteria for states to define Specialized Services for MI and MR. Individuals with MI/MR need a continuum of services. The purpose of defining SS is to assign responsibility in each state for providing levels of MI/MR service. The regulation has been implemented by states in two entirely different ways. Both definitions of SS are discussed in the notice for proposed rulemaking, and provisions for both definitions are in the regulations, although not explicitly differentiated.*

1. **SS are provided to NF residents.** *(Requirements in this document pertaining to this definition of SS are underlined) When SS are provided in the NF, the NF is responsible for a certain level of need, beyond which the SMA is responsible for supplementing NF services with wraparound services that, in combination with the NF services, meet a NF resident's evaluated MI/MR needs. The regulation clearly contemplates SS provided in the NF to augment the relatively low level of MI/MR services the facility can practically provide, implicitly recognizing the realities imposed by the NF reimbursement rate, level of staff credentials, and staff turnover rate. Under this definition of SS, the regulations require the state to assure, before making a determination permitting admission to a NF, that the SS will be provided. The SS may be Medicaid services, or otherwise, e.g., provided by the SMH/MRA. The regulation also states that in order to draw Federal match, SS in a NF must not be double-billed, i.e., SS must not be duplicative of services Medicaid is paying the NF to provide under the NF benefit and rate [483.124]. Therefore NF and SS services must be clearly differentiated in determinations, as described in the following section. States may also provide SS outside the NF, e.g., in community settings, for those not placed in a NF.*
2. **SS are inpatient services not provided in a NF.** *(REQUIREMENTS IN THIS DOCUMENT PERTAINING TO THIS DEFINITION OF SS ARE SET IN SMALL CAPS.) 33 STATES<sup>6</sup> DEFINE SS AS INPATIENT CARE NOT IN A NF, IN INSTITUTIONS PROVIDING A HIGHER LEVEL OF MI/MR CARE. (E.G., ICF/MR OR PSYCHIATRIC HOSPITAL). THE REGULATION ANTICIPATES THIS INTERPRETATION IN STATING THAT SS ARE TO BE PROVIDED TO NF RESIDENTS WHO REQUIRE CONTINUOUS SUPERVISION, TREATMENT, AND TRAINING BY QUALIFIED MI OR MR PERSONNEL (483.120(B)). UNDER THIS DEFINITION, LEVEL II SS DETERMINATIONS ESSENTIALLY DECIDE FOR OR AGAINST IMMEDIATE NF PLACEMENT, SINCE A DETERMINATION THAT SS ARE NEEDED CAUSES THE INDIVIDUAL NOT TO BE ADMITTED TO A MEDICAID-*

<sup>6</sup> SAMHSA Report, in publication 2006.

CERTIFIED NF, AND THE PASRR PROCESS MAY ESSENTIALLY END WITH PROPER DOCUMENTATION AND DISTRIBUTION OF REPORTS. THEREFORE, SOME PASRR REGULATIONS DO NOT APPLY IN THIS CIRCUMSTANCE, SUCH AS THE SS PAYMENT ISSUES JUST DESCRIBED.

WHEN SS ARE DEFINED AS INSTITUTIONAL SERVICES OTHER THAN NF, THE SMA IS MAKING THE NF ENTIRELY RESPONSIBLE FOR MEETING THE MI/MR NEEDS OF THEIR RESIDENTS. IN THESE STATES, THE PASRR DETERMINATION OF NEED FOR AND APPROPRIATENESS OF NF MUST TAKE INTO ACCOUNT THE LEVEL OF MI/MR SERVICE SPECIFIED IN THE STATE NF PROVIDER AGREEMENT (I.E., INCLUDED IN THE NF RATE). WHILE OTHER SUPPLEMENTARY OR WRAPAROUND MI/MR SERVICES MAY BE AVAILABLE IN THESE STATES, THE NF IS RESPONSIBLE FOR ARRANGING THEM, AND IF NOT DELIVERED, MUST EITHER PROVIDE THEM AT ITS EXPENSE, OR TRANSFER/DISCHARGE THE RESIDENT.

The OIG and other studies have criticized the differing state definitions of SS. Problems have been observed under both definitions of SS. The levels of SS supplied in the NF are not adequate in some states. In states supplying SS outside the NF, there is evidence that the burden has simply been passed to the NF to meet resident's needs, without increasing NF rates so that facilities can hire or contract with qualified professionals to provide "services of a lesser intensity" than SS.

**Continuum of MI/MR Services:** The regulation requires that whatever the state definition of SS, or NF "specialized rehabilitative services" (SRS), (not the same as SS, see next paragraph), there should be a service system that meets resident needs, without gaps. SS must be "the services which when combined with services provided by the NF or other service providers, results in the . . . [services equivalent to active treatment]". [483.120(b)]. PASRR regulations do not discuss the nature of the total service delivery systems available to NF residents with SMI/MR, which are unique to each state. For example, the SMHA may provide services in the NF, Medicare may cover some MH services, or there may be state-only services. While the PASRR regulations specify only SS and NF-provided services, the total range of resident needs are to be addressed in the Level II evaluation and determination, and the NF is responsible to provide or arrange for all of them.

**Terminology:** NF services may be referred to as "specialized rehabilitative services", [§483.45], but these are not the "Specialized Services" just described. NF MI/MR services and state-funded SS may be difficult to distinguish, as they may differ only in frequency and/or intensity. Further, states are free to pay NFs to provide SS, potentially additionally obscuring the distinction between NF services and SS<sup>7</sup>.

**Responsibility for Evaluations and Determinations:** For MI, the evaluation function must be performed by an entity separate from the SMHA. The SMHA is responsible for the two determinations. The SMRA may perform both evaluation and determination functions for MR, or may delegate other entities to perform these functions

**Dementia:** See discussion under Level I screen, [Dementia](#), page 10, regarding the definition of SMI that applies to individuals who also have dementia. Dementia does not alter a diagnosis of MR.

Action: Review the following general procedures. Assure that

Level II PASRR — General Procedures Requirement	Compliance	
	Y/N	Actions needed to Comply

<sup>7</sup> In states that provide SS in NFs

Level II PASRR — General Procedures		Compliance	
		Y/N	Actions needed to Comply
1	There are separate Level II evaluation forms (or distinct sections) for SMI and MR that meet the requirements under §§483.134, .136, and .132.		
2	Resident Review is performed per state procedures. At a minimum:		
	a) NFs notify the SMH/MRA when SMI or MR is newly suspected, and upon Resident Assessment (MDS) change in condition in PASRR residents. NFs refer all significant changes in physical or mental status, allowing the SMH/MRA to decide when RR is needed. [483.108(c)].		
	b) The SMH/MRA perform Level II evaluations and determinations when appropriate, per §1919(e)(7)(B)(iii)		
3	The SMA, in interagency agreements with the SMH/MRA, has clearly defined the NF Level of Care, as well as requirements for alternative placements and community options including home and community-based waivers.		
4	Inter-facility transfers take into account any facility-specific services and capabilities specified in the PASRR determinations. Receiving facilities are able to meet all services needed by the transferred resident.		
5	State definitions of SS are consistent with §§483.120 & .128(i)(5)]		
6	Level II evaluators are mental health and mental retardation specialists.		

**2) Categorical Determinations:**

Background:

**Purpose:** *Categorical determinations permit states to omit the full Level II Evaluation in certain circumstances that are time-limited or where need is clear. While the evaluation process is abbreviated, the function of the resulting determination is not different from individualized determinations. See Individualized Determinations, page 27. Categorical determinations are not “exemptions”.*

**Terminology:** *The term in regulation “advance group determination by category” means that the Level II Preadmission Screening determination is made “in advance” by the SMH/MRA, i.e., in the sense that it pre-defines the criteria for a category that applies to a certain group. The simpler term “categorical determination” is used here. “In advance” does not imply that other PASRR requirements are superseded, such as the need to complete determinations prior to admission to a NF.*

**Defining categories:** *§483.130 (a)-(i) permits the state mental health or mental retardation authorities to develop categories based on certain diagnoses, levels of severity of illness, or need for a particular service such as a ventilator, that indicate that admission to a NF is normally needed. There may also be provisional admissions, with time limits, pending*

further assessment due to delirium, for emergency protective services placement not more than 7 days, or for respite. (Longer stays would require a Level II Resident Review). These three provisional categories, at state option, may also carry a categorical determination that SS are not normally needed, Finally, a category may be established to determine that an individual with a dual diagnosis of MR or related condition with dementia does not require SS. Any categories must be approved by CMS as part of the Medicaid state plan, before being applied to any particular individual.

**SS needed:** A categorical finding of SS needed is not allowed. This is to ensure, in states that provide SS in NFs, that NF residents with SMI/MR needing SS receive individually planned services. IN STATES THAT PROVIDE SS NOT IN NFs, THIS ENSURES THAT PLACEMENT OPTIONS WILL BE ASSESSED INDIVIDUALLY.

**Available Data:** If sufficient accurate and current data are available following Level I review for the evaluator to determine that the individual fits into a category established by the state authorities, an individualized Level II evaluation is not required. See §483.130(c) and 132(c) re the data needed to make a determination. In all other cases, an individualized evaluation is required.

**Personnel:** There are no federal personnel requirements for categorical determinations. The screener applies the criteria for categories clearly established by the SMHH/MRA, only making judgement about whether adequate data is available to support application of a category. The screener does not, (unless the state specifies an appropriate level of professional qualification), assess or draw conclusions about the individual’s condition. [483.130(c)]

**Reports:** Categorical Evaluation reports may be abbreviated, but should be sufficient to satisfy the purposes of the PASRR [Determination Notices](#) listed on page 32.

Action: Review your state's advance group determination categories, if any, and the procedures for applying them. Assure that

Level II — Advance Group Determinations by Category (Categorical Determinations) Requirement		Compliance	
		Y/N	Actions needed to Comply
1	Any categorical determinations are listed in the approved state plan.		
2	Evaluators understand the basis for any determinations made by category. They use current, applicable, and sufficient data to support the determination. [483.130(c)]		
3	The evaluator does not treat categorical determinations as though they were exemptions from the PASRR process.		
4	Categories for advanced group determination that NF services are needed are based on examples in §§483.130(d)(1-6).		
5	Time limits for provisional admissions under delirium, emergency (7 days or less), and respite categorical determinations are defined by the state, and followed: i.e., if not discharged within the time limit, a resident review (RR) is performed. [483.130(d)(4)-(6),(e)]		

<b>Level II — Advance Group Determinations by Category (Categorical Determinations)</b>		Compliance	
Requirement		Y/N	Actions needed to Comply
6	A categorical determination that specialized services <i>are not</i> needed is made in only four situations: [483.130(f),(h),(i)] <ul style="list-style-type: none"> <li>• The three provisional categories that NF is needed: delirium, emergency, and respite</li> <li>• A dual diagnosis of MR (or a related condition) and dementia</li> </ul>		
7	Determinations that specialized services <i>are</i> needed are individualized, not categorical. [483.130(g)]		
8	Evaluation criteria include those in §.130 applicable to each category, [483.128(e)]		
9	There is a system for notifying the SMH/MRA to schedule required evaluations for categorical admissions that are exceeding the time limit. [483.130(e)]		
10	Written evaluation summaries for categorical determinations are prepared that include: [483.128(j)] <ul style="list-style-type: none"> <li>a) The name and professional title of the person who is applying the categorical determination;</li> <li>b) The data on which the application of the categorical determination was made;</li> <li>c) Findings of the evaluation correspond to the person’s current functional status as documented in medical and social history records. [483.128(h)]</li> <li>d) An explanation of the categorical determination(s) that has (have) been made;</li> <li>e) When only one of the two determinations (Need for SS and Need for NF) can be applied by category, the report describes the nature of any further screening that is required;</li> <li>f) Lists the services the person needs that will be provided by the NF, including SS and any mental health or psychiatric rehabilitative services; and</li> <li>g) The bases for the report's conclusions.</li> </ul>		
11	The written determination report satisfies 483.130(l), is provided, explained, and interpreted to the individual/legal representative, and a copy is provided to: the appropriate state authority (within the required time), the NF, the attending physician, the discharging hospital, (except for exempted hospital discharges), and the medical record. [483.112(c), 483.128(k),(l), 483.130(j),(k)]		

**3) Individualized Level II Evaluations**

**Background:**

**Separate evaluations for NF and SS:** *DEFINING SS AS PLACEMENT OTHER THAN NF HAS THE EFFECT THAT A DETERMINATION OF NEED FOR SS AUTOMATICALLY DETERMINES THAT NF IS NOT NEEDED FOR THE IMMEDIATE PLACEMENT. HOWEVER, THE REGULATION REQUIRES SEPARATE SS AND NF DETERMINATIONS<sup>8</sup>.*

**Evaluation of need for MI and MR SS:** *The content, process, and personnel requirements for evaluations for MI and MR are specific to the characteristics of the respective populations: These are presented separately below.*

**Evaluation of Need for NF:** *The information necessary to determine appropriateness of NF services is obtained from the MI and/or MR evaluations. No separate data gathering is needed. Rather, information is evaluated and applied to the individual's total needs, and the specific NF to which the individual has applied. The criteria for determining need for NF is considered under [Determination of Need for NF Services](#), page 30.*

**PAS and RR:** *The evaluation requirements are the same for PAS and RR*

**A) Individualized Evaluations: General Procedures****Background:**

*The following general procedures apply to both MI and MR evaluations.*

**NF and SS evaluations:** *PASRR regulations require separate NF and SS determinations. WHERE SS NOT PROVIDED IN A NF ARE DETERMINED TO BE NEEDED<sup>9</sup>, SPECIFYING NF SERVICES WILL BE IRRELEVANT FOR THE IMMEDIATE PLACEMENT. HOWEVER, THE REGULATION DOES NOT PROVIDE FOR THIS INFORMATION TO BE OMITTED. IN PRACTICE, THE STATE MAY USE THE INFORMATION TO INDICATE THE NF SERVICES AN INDIVIDUAL MAY REQUIRE IF THE NEEDS FOR SS ARE RESOLVED. (E.G., ACUTE SYMPTOMS ARE CONTROLLED). Whatever the definition of SS, the state may find the investment in Level II evaluation can anticipate changes in status and provide for a continuum of care. For example, when the placement prescribed is psychiatric hospitalization, the reality is that this is an acute setting, rarely a long-term care option. Therefore, the individual is likely to need long-term care planning in the near future. A PASRR evaluation that correctly includes all levels of support below that determined to be immediately needed (the supports required for community, waiver, and NF), will provide valuable information for planning care following the acute hospitalization.*

**Individual vs. Categorical:** *Note that some categorical determinations that NF is needed still require an individualized evaluation for SS.*

**Specificity:** *Evaluations must yield sufficiently detailed information so that a determination can be made about the specific services an individual needs.*

**Diagnosis:** *The Level II evaluation either verifies an existing diagnosis or results in a new diagnosis, where a condition was not previously identified.*

Action: Review your state's Level II evaluation forms. Assure that

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<sup>8</sup> In states that provide SS in institutions other than NF

<sup>9</sup> In states that provide SS in institutions other than NF

Level II — Individualized Evaluations: General Procedures		Compliance	
Requirement		Y/N	Actions needed to Comply
1	Preexisting data is checked before use to verify its validity and accuracy and whether it reflects the person’s current functional status. [483.128(g),(h)]		
2	The evaluator gathers additional information, as required, including a physical examination, if necessary, to meet requirements under §§483.134 and .136. [483.128(g)]		
3	The Level II evaluation includes a diagnosis or verification of a diagnosis of SMI or MR. [483.134(d); 136(c)]		
4	There are separate Level II evaluation forms (or sections) for MI and MR.		
5	The MI and MR evaluations include the information needed to make a NF determination, per §483.132(c). At a minimum: physical and mental status, and a functional assessment of ADLs.		

**B) Individualized Evaluation: Mental Illness**

Background:

*Each person who is identified by Level I as possibly having a serious mental illness, and does not qualify for categorical determinations for both NF and SS, must be given an individualized Level II evaluation.*

**Definition of MI:** For PASRR purposes, mental illness is one of the serious mental illnesses listed in §483.102(b)(1.) (See [footnote](#) on page 9 for a discussion of the use of DSM-III-R rather than current publications.) The PASRR definition of MI does not include persons who have [dementia](#) (see page 10), including Alzheimer’s disease or a similar (in DSM-III-R terms) organic brain disorder, unless the person has a primary diagnosis of a serious mental illness. I.e., the dementia is not progressed to be primary over the mental illness.

**Content of the Evaluation:** The evaluation examines an individual’s total needs, in order to determine whether SS are needed, and also provides information for the NF determination [§483.132]. The content of the evaluation is described in §483.134, MI Specialized Services. The evaluation assesses the level of ADL support that would be needed to keep the individual in the community, not just a conclusion about whether community options are viable [134(b)(5)]. If the evaluator has sufficient information to determine that the person does not have a serious mental illness, the evaluation can be discontinued.

Action: Review your state’s PASRR mental health evaluation procedures. Assure that

Level II PASRR — Individualized Mental Health Evaluation		Compliance	
Requirement		Y/N	Actions needed to Comply
1	Evaluation is performed by an entity independent of the SMHA, and designated by the SMA. [483.106(d)(1); 431.621(c)(7)]		

Level II PASRR — Individualized Mental Health Evaluation Requirement	Compliance	
	Y/N	Actions needed to Comply
2 Personnel: The history and physical examination are either performed or reviewed by a physician. [483.134(c)] A mental health professional qualified by the state validates the diagnosis of SMI and determines need for SS. [483.134(d)]		
3 The Level II Mental Health Evaluation includes all of the information required by the SMHA to make a determination of need for specialized services, as defined by the state, and appropriateness of NF placement. A CHECK-OFF THAT SS ARE NEEDED (AND THEREFORE NF IS NOT NEEDED) IS NOT ACCEPTABLE <sup>10</sup> . At a minimum the evaluation includes: [483.134(b); 483.120] a) A comprehensive history and recent physical examination of the person, including— <ul style="list-style-type: none"> <li>• Complete medical history</li> <li>• Review of all body systems</li> <li>• Neurological evaluation, including motor functioning, sensory functioning, gait, deep tendon reflexes, cranial nerves, and abnormal reflexes</li> <li>• Other specialty evaluations as required [483.134(b)(1)]</li> </ul>		
b) A comprehensive drug history, including current or recent use of medications that could mask symptoms or mimic mental illness; [483.134(b)(2)]		
c) A comprehensive psychosocial evaluation that includes current living arrangements, and medical and support systems; [483.134(b)(3)]		
d) A comprehensive psychiatric evaluation, including— <ul style="list-style-type: none"> <li>• Complete psychiatric history</li> <li>• Evaluation of intellectual functioning</li> <li>• Memory functioning</li> <li>• Orientation</li> <li>• Current attitudes and overt behaviors</li> <li>• Affect</li> <li>• Suicidal or homicidal ideation</li> <li>• Paranoia</li> <li>• Degree of reality testing (presence and content of delusions) and hallucinations; [483.134(b)(4)]</li> </ul>		

<sup>10</sup> In states that provide SS in institutions other than NF

Level II PASRR — Individualized Mental Health Evaluation Requirement	Compliance	
	Y/N	Actions needed to Comply
e) A functional assessment of ADLs, addressing the following areas: [483.134(b)(5)-(6)] <ul style="list-style-type: none"> <li>• Self-monitoring of health status</li> <li>• Self-administering and scheduling of medical treatment, including medication</li> <li>• Self-monitoring of nutritional status</li> <li>• Handling money</li> <li>• Dressing appropriately and grooming</li> </ul>		
f) An assessment of the level of support for ADLs that would be needed in an alternative community setting and whether the level of support needed is such that nursing facility placement is necessary; [483.134(b)(5)]		
g) The supporting evidence for the conclusions.		
4 The MI evaluation instrument includes a list of each particular specialized service that is the state's responsibility to provide. WHEN SS AND NF SERVICES WILL NOT BE PROVIDED CONCURRENTLY, THE REQUIREMENT TO DISTINGUISH EACH SS SERVICE BY INTENSITY AND FREQUENCY FROM NF-PROVIDED SPECIALIZED REHABILITATIVE SERVICES CAN BE MET BY DEFINITION. HOWEVER, THE STATE MAY WISH TO SPECIFY, IN THE EVALUATION REPORT, THE SERVICES NEEDED IF ADMITTED TO A NF, ANTICIPATING THAT NF MAY BE NEEDED SOON. [483.120(a)(1); 483.134(d), 483.114(a)(1)]		

**C) Individualized Evaluation: Mental Retardation**

**Background:**

*Each person who is identified as possibly having MR, but does not qualify for categorical determinations for both NF and SS must be given an individualized Level II evaluation.*

**Definition of MR:** *For purposes of PASRR, a person is considered to have mental retardation if s/he has a level of retardation (mild, moderate, severe or profound) as described in 42 CFR 483.102(b)(3) or a related condition as found in §435.1009. (See footnote on page 9 for a discussion of the use of the 1983 Manual definition of MR rather than current publications.) Presence of dementia does not mean an individual does not have MR, for PASRR purposes.*

**Content of the Evaluation:** *The evaluation examines an individual's total needs, in order to determine whether that person needs Specialized Services as defined by the state, and to provide information for determining whether NF is appropriate. Required content is described in §483.136, for MR Specialized Services, will provide information for both the NF and SS determinations [§483.132]. The evaluation assesses individual strengths and potential for independence not just a conclusion that institutional care is needed [483.136(b)]. If the evaluator has sufficient information to determine that the person does not have MR or related conditions, the evaluation can be discontinued.*

Action: Review your state’s PASRR mental retardation evaluation procedures. Assure that

Level II PASRR — Individualized MR Evaluation		Compliance	
Requirement	Y/N	Actions needed to Comply	
1	Personnel: Appropriate personnel perform evaluations, as designated by the state. A licensed psychologist identifies intellectual functioning measurement. [483.136(c)]		
2	The Level II MR Evaluation includes all of the information required to make a determination of need for specialized services, as defined by the state, and appropriateness of NF placement. A CHECK-OFF THAT SS ARE NEEDED (AND THEREFORE NF IS NOT NEEDED) IS NOT ACCEPTABLE. <sup>11</sup> Minimum data collected includes the individual’s comprehensive history and physical examination or other information sufficient to assess: [483.136(b)]		
	a) The person's medical problems;		
	b) The level of impact these problems have on the person's independent functioning;		
	c) All current medications used by the person and the current response of the person to any prescribed medications in the following drug groups: <ul style="list-style-type: none"> <li>• Hypnotics</li> <li>• Antipsychotics (neuroleptics)</li> <li>• Mood stabilizers and antidepressants</li> <li>• Antianxiety-sedative agents</li> <li>• Anti-Parkinson agents;</li> </ul>		
	d) Self-monitoring of health status;		
	e) Self-administering and scheduling of medical treatments;		
	f) Self-monitoring of nutritional status;		
	g) Self-help development such as toileting, dressing, grooming, and eating;		
	h) Sensorimotor development, and extent to which prosthetic, orthotic, corrective or mechanical supportive devices can improve the person's functional capacity;		
	i) Speech and language (communication) development, extent to which non-oral communication systems can improve the person's functional capacity, auditory functioning, and extent to which amplification devices (for example, hearing aid) or a program of amplification can improve the person's functional capacity;		
	j) Social development, such as interpersonal skills, recreation-leisure skills, and relationships with others;		

<sup>11</sup> In states that provide SS in institutions other than NF

Level II PASRR — Individualized MR Evaluation		Compliance	
Requirement	Y/N	Actions needed to Comply	
k) Academic/educational development, including functional learning skills;			
l) Independent living development, such as meal preparation, budgeting, and personal finances, survival skills, mobility skills (orientation to the neighborhood, town, city), laundry, housekeeping, shopping, bed making, care of clothing, and orientation skills (for persons with visual impairments);			
m) Vocational development, including present vocational skills;			
n) Affective development, such as interests, and skills involved with expressing emotions, making judgments, and making independent decisions; and			
o) The presence of identifiable, maladaptive or inappropriate behaviors, based upon systematic observation (including, but not limited to, the frequency and intensity of behaviors).			
3 The MR evaluation instrument includes a list of each particular specialized service that is the state's responsibility to provide. WHEN SS AND NF SERVICES WILL NOT BE PROVIDED CONCURRENTLY, THE REQUIREMENT TO DISTINGUISH EACH SS SERVICE BY INTENSITY AND FREQUENCY FROM NF-PROVIDED SPECIALIZED REHABILITATIVE SERVICES CAN BE MET BY DEFINITION. HOWEVER, THE STATE MAY WISH TO SPECIFY, IN THE EVALUATION REPORT, THE SERVICES NEEDED IF ADMITTED TO A NF, ANTICIPATING THAT NF MAY BE NEEDED SOON. [483.120(a)(2); 483.136(c), 483.114(a)(2)]			

**D) Individualized Evaluation Reports**

Background:

***Purposes of the PASRR Evaluation Report:***

*Determinations are based on all of the detailed evaluation findings. A summary report of the MI and/or MR evaluation is needed to:*

- *Inform the individual/legal representative and the physician.*
- *If admitted to a NF, inform the NF in its decision whether to admit the person, based on its ability to provide the services the applicant requires, including MI/MR services.*
- *Prepare a NF care plan following admission, or to modify an existing resident's care plan following RR.*
- *Differentiate NF services from SS, and inform the state of SS it is obligated to provide.*
- *Provide a baseline for RR.*
- *Document the above for NF surveyors.*

- For any placement other than NF, to inform the service provider of the MI/MR services this individual requires.

**Specificity:** The report must specify the particular services needed, including whether these are to be provided by the NF as NF services, or are additional services. If SS are needed in a state that provides these to NF residents, any services similar to NF services but of greater frequency or intensity must be clearly differentiated, to assign responsibility for providing them. The determination need not be so prescriptive as to remove from providers the ability to assess progress and adjust frequency or intensity appropriately, nor exceed the ability of the determiner to predict future needs. But the report should be individualized, e.g., service needs within a range. It is not enough to check a general category of services, for example, “specialized rehabilitative services.”

**Services needed other than NF or SS:** The regulation requires states to define SS, so as to assign responsibility for providing the level of services so described. This does not imply that the report may omit other types of services that are needed but do not happen to fall within that state’s definition of SS. (See discussion on page 16.)

**Care Planning:** An evaluation report when NF is appropriate should provide information needed by the NF to develop a plan of care for the resident that includes all MI/MR services required for NF placement to be appropriate. Most NFs do not have qualified mental health or MR professionals (QMHP or QMRP) on staff, so the report should not be written in terse jargon.

**“Specialized Rehabilitative Services” (SRS):** are MI/MR services provided by the NF that are “specialized” in that they are not part of NF care for every resident, but are provided as part of the basic NF benefit and are below the level of state-provided “specialized services” (SS). NF capacity to provide SRS varies, so the determiner must know the SRS to be available and within the capacity of the admitting NF to provide, in order to determine that NF is appropriate. SMH/RAs must have a means to make information about facility capability available to determiners so that NF determinations are facility-specific.

Action: Review your evaluation report format(s) and review a sample resident's medical records at participating facilities. Assure that

Level II PASRR — Individualized Evaluation Reports		Compliance	
Requirement		Y/N	Actions needed to Comply
1	The mental health evaluators and mental retardation evaluators are completing the evaluation report forms, as specified in §483.128(i) and (j). The reports are written in a manner that assists NFs to plan care.		
2	Individualized Evaluation Reports include: [483.128(i)]		
	a) Name and professional title of the evaluator(s); Date of administration of each part of the evaluation;		
	b) A summary of the medical and social history, including the positive traits or developmental strengths and weaknesses or developmental needs;		
	c) Findings of the evaluation correspond to the person’s current functional status as documented in medical and social history records. [483.128(h)]		

Level II PASRR — Individualized Evaluation Reports		Compliance	
Requirement	Y/N	Actions needed to Comply	
d) The specific NF services, SS, and other services the person needs. Each MI/MR service is described, <u>distinguishing by intensity and frequency NF-provided specialized rehabilitative services from state-provided "specialized services" (SS)<sup>12</sup></u> . The responsibilities of the NF and the state for their respective service obligations are clear.			
e) Evidence to support the conclusions.			
3 The evaluation is interpreted and explained to the individual and, where applicable, to a legal representative designated under law.			
4 The PASRR Evaluation Report is sent to the: [483.128(l)]			
a) Evaluated individual and his/her legal representative (and interpreted [483.128(k)]);			
b) SMH/MRA, as appropriate, within in required times; [483.112(c)]			
c) Admitting or retaining NF; (or other placement);			
d) Persons' attending physician;			
e) The discharging hospital, if applicable; and			
f) Filed in the resident's current medical records. [130(j)]			

**4) Individualized Level II Determinations**

Background:

*The state mental health and mental retardation authorities, based on the evaluations, must make two determinations and record them in the Determination Notice:*

- *Whether nursing facility services are needed, (appropriate) and*
- *Whether specialized services are needed.*

*WHILE A STATE MAY DEFINE NF AND SS AS MUTUALLY EXCLUSIVE, AS PREVIOUSLY NOTED THE REGULATION DOES NOT PROVIDE FOR EITHER DETERMINATION TO BE ELIMINATED ALTOGETHER<sup>13</sup>.*

*These determinations may be made in certain circumstances categorically, as described in [categorical determinations](#) on page 17. In all other cases, the determinations are made on the basis of individualized evaluation reports.*

**A) Individualized Determinations: General Procedures**

Background:

*PASRR regulations describe the determination function in several places, including the final subsections on "data interpretation", of §§483.134 and .136 concerning MI/MR evaluations, §483.132 regarding NF evaluations, and §483.130(n) about SS*

<sup>12</sup> In states that provide SS in NFs

<sup>13</sup> In states that provide SS in institutions other than NF

*evaluations. Following are general procedures or procedures that apply to SS determinations for both MI and MR.*

*The determinations are not simple algorithms. They are person-centered, requiring the judgement of qualified professionals. The two determinations (Appropriateness of NF services and need for SS) are interrelated and are based upon a comprehensive analysis of all data concerning the person. Level II determinations derived simply from logic built into the evaluation tool are not acceptable.*

Action: Review your procedures for individualized PASRR determinations. Assure that

Level II PASRR — Determinations		Compliance	
		Y/N	Actions needed to Comply
1	The two determinations (appropriateness of NF services and need for SS) are interrelated and are based upon a comprehensive analysis of <u>all</u> data concerning the person. [483.128(f)]		
2	In addition to the specific criteria for MI and MR in sections B) and C) below, §483.120(c) indicates that SS <i>must</i> be provided to NF residents when the individual’s needs are such that continuous supervision, treatment, and training by qualified MI/MR professionals is necessary. IN STATES WHERE SS ARE DEFINED AS NOT PROVIDED IN NFs, THE ALTERNATIVE INPATIENT PLACEMENT WILL MEET THIS REQUIREMENT (THOUGH THE INDIVIDUALS WILL NOT BE “NF RESIDENTS”). <u>If SS are provided in the NF, and in combination with NF services they do not meet the criteria in .120(c), placement other than a NF may be needed.</u>		
3	PASRR determinations by the SMHA and SMRA are not changed by the SMA in claims, utilization control/review, or state survey and certification. [431.621(c)(6), 483.108(a)] Appeals are only through the process provided in §483 Subpart E.		
4	The SMA monitors individuals determined to need SS, to see that SS are provided as specified in the determination. [483.130(n)]		
5	<u>In states providing SS in the NF: If SS are needed, a determination that NF is also appropriate can only be made when the SMHA or SMRA obtains written assurances that the state will provide the required SS while the person resides in the chosen nursing facility<sup>14</sup>.</u> [130(n)]		

**B) Individualized MI Determination for Specialized Services**

Background:

<sup>14</sup> Not applicable in states that provide SS in institutions other than NF.

Based on the [Evaluation Report](#) (see page 25) prepared by a qualified mental health professional designated by the SMA, the SMHA determines whether a program of psychiatric SS is needed [483.134(d)]. Following is the process used to make this determination.

Action: Review your procedures for individualized MI determination for SS. Assure that

Level II PASRR — Individualized MI Determination for Specialized Services		Compliance	
		Y/N	Actions needed to Comply
Requirement			
1	Determinations are made by the SMHA, based on evaluation of the required data. (See <a href="#">Mental Health Evaluation Data</a> on page 22.) [483.106(d)(2), 483.130(a)]		
2	Determinations are performed by a qualified mental health professional, as designated by the state [483.134(d)]		
3	The determination makes or verifies a diagnosis of SMI. [483.134(d)]		
4	A determination that MI SS are needed is based on the definition of SS for MI contained in the state plan. SS for MI are services which, <i>when combined with NF services</i> , result in a continuous and aggressive individualized plan of care that is: [483.120(a)]		
	a) Developed and supervised by an interdisciplinary team		
	b) Prescribes specific therapies and activities, by trained personnel, to treat acute episodes of serious MI.		
	c) Is directed towards outcomes that increase functional level and reduce the need for SS and institutionalization.		

**C) Individualized MR Determination for Specialized Services**

Background:

The SMRA, based on the [Evaluation Report](#) (see page 25), using appropriate personnel designated by the state, determines whether SS for MR are needed [483.134(d)]. Following is the process used to make this determination.

Action: Review your procedures for individualized MR determination for SS. Assure that

Level II PASRR — Individualized MR Determination for Specialized Services		Compliance	
		Y/N	Actions needed to Comply
Requirement			
1	Determinations are made by the SMRA, based on evaluation of the required data. (See <a href="#">MR Evaluation Data</a> on page 24.) [483.106(d)(2), 483.130(a)]		
2	The determination makes or verifies a diagnosis of MR or a related condition. [483.136(c)]		

Level II PASRR — Individualized MR Determination for Specialized Services		Compliance	
Requirement		Y/N	Actions needed to Comply
3	Determinations are based on the definition of SS for MR and related conditions contained in the state plan. SS for MR are services which, <i>when combined with NF services</i> , result in a continuous program analogous to active treatment as defined in §§483.440 and 435.1009.		
4	The state mental retardation authority makes a qualitative judgment on the extent to which the person's needs reflect those commonly associated with specialized services, including: [483.136(c)(2)]		
	a) The inability to: <ul style="list-style-type: none"> <li>• Take care of most personal care needs;</li> <li>• Understand simple commands;</li> <li>• Communicate basic needs and wants;</li> <li>• Be employed at a productive wage level without systematic long-term supervision or support;</li> <li>• Learn new skills without aggressive and consistent training;</li> <li>• Apply skills learned in a training situation to other environments or settings without aggressive and consistent training;</li> <li>• Demonstrate behavior appropriate to the time, situation, or place without direct supervision; and</li> <li>• Make decisions requiring informed consent without extreme difficulty.</li> </ul>		
	b) Demonstration of severe maladaptive behavior(s) that place the person or others in jeopardy to health and safety; and		
	c) Presence of other skill deficits or specialized training needs that necessitate the availability of trained MR personnel, 24-hours per day, to teach the person functional skills.		
5	<u>The state provides or arranges for specialized services for MR to NF residents who need them. Mental retardation personnel designated by the state provide such services</u> <sup>15</sup> . [483.120]		

**D) Individualized Determination for NF**

Background:

**MI / MR:** *Individualized Determinations for NF are decided on the same criteria for MI and MR.*

**NF Level of Care:** *See discussion on page 14. The term in regulation “NF services are needed” can be misunderstood as “meets state NF LOC”. 483.126 articulates that*

<sup>15</sup> In states that provide SS in NFs

*determination for placement in a NF “ may be considered appropriate only when the individual’s needs . . . meet the minimum standards for admission and . . . do not exceed the level of services which can be delivered in the NF . . .” Further, determination that NF is needed is not appropriate when community alternatives are possible.*

***Institution-specific determinations:*** *Since a determination of need for NF services is specific to a single institution, if the needed NF services and (if required) SS<sup>16</sup> cannot be assured at the NF the individual has applied to, there can be no positive determination of appropriateness for placement in any NF [483.126]. The evaluation report may be used to assess another specific institution (or other placement option) at which the needed services may be available. Only when NF services (and SS) can be assured at a particular NF, can a positive determination be made. In practice, some states have met this requirement through information about specific NF capacity provided by evaluators (typically with more local knowledge than centralized determiners), or by having a regional system in which determiners do have facility specific information. When states do not issue facility-specific determinations, all NF determinations must be based on the lowest capability of any facilities in the state. NFs may not directly participate in level II evaluations or determinations due to conflict of interest. However, NFs should review the determination and evaluation report and refuse to admit individuals they do not feel they can serve. In this way, the NF has a role in facility-specific determinations.*

Action: Review your procedures for individualized NF determination. Assure that

Level II PASRR — Individualized Determination for NF		Compliance	
Requirement		Y/N	Actions needed to Comply
1	The person making determinations prioritizes the physical and mental needs of the individual, taking into account the severity of each condition [483.132(b)]		
2	In this order, the person making determinations considers whether the individual’s needs can be met: [483.132(a)] a) In the community — if it the person’s total needs do not require residence in a facility and can be met with community services. b) Only on an inpatient basis — and if desired by the individual / legal representative: <ul style="list-style-type: none"> <li>• HCBS. (Waiver services are inpatient level of care.)</li> <li>• NF</li> <li>• Other inpatient placements such as an ICF/MR (including small community-based settings), an IMD (65 or older), or a psychiatric hospital</li> </ul>		

<sup>16</sup> In states that provide SS in NFs.

Level II PASRR — Individualized Determination for NF		Compliance	
Requirement		Y/N	Actions needed to Comply
3	If NF care is appropriate and desired, the person making determinations: a) Uses the same NF admissions criteria or medical necessity criteria as would be used for an applicant or resident who does not have SMI or MR. b) Considers whether the particular NF to which the person is applying can meet the person's total needs, <u>and (if applicable,) whether the state has provided written assurances that it will provide or arrange for needed SS while the person resides in a NF<sup>17</sup>.</u> [483.126, 483.130(n)]		
4	There are no general “NF level of care” determinations. If needed NF services <u>(and SS)</u> cannot be assured at the specific NF the individual has applied to, there is no positive determination of appropriateness for NF placement. [483.126]		
5	The SMHA & SMRA have systems to keep current information on participating NFs, and alternative placements including ICFs/MR, hospitals, and HCBS.		
6	No person is denied a determination that NF services are needed due to a preferred placement being unavailable. Since a person cannot be denied Medicaid NF services for which s/he is eligible, if the person meets the NF LOC admissions criteria and an alternative to NF is not available that can meet his/her needs, NF placement may be made.		

**E) Determination Notices**

Background:

*The determinations must be documented with specific information, and distributed to certain parties.*

*Determination notices are required for both individualized and categorical determinations (See page 18 regarding [Categorical Determination Reports](#).)*

Action: Review your PASRR determination notice format; review a sample of resident's medical records at participating facilities. Assure that

Level II PASRR —Determination Notice		Compliance	
Requirement		Y/N	Actions needed to Comply
1	Each notice of determination by the SMH/MRA includes: [483.130(l)(1)-(4), (n)] a) Whether NF level of services is needed (appropriate).		

<sup>17</sup> In states that provide SS in NFs.

Level II PASRR —Determination Notice		Compliance	
Requirement		Y/N	Actions needed to Comply
b) Whether SS are needed.			
c) The placement options that are available, consistent with these determinations.			
d) The rights of the individual to appeal the determination under §483 subpart E.			
e) <u>Determinations that both NF and SS are recommended are supported by assurances that the needed SS can &amp; will be provided or arranged for by the state.</u> <sup>18</sup>			
2 If the NF determination is Not Needed, the determination notice provides information concerning how, when, and by whom the various placement options available to the resident will be fully explained to the individual. If it is determined that a NF resident must be discharged, discharge options and appeal rights are included. [483.130(m)(4)-(6); 483.204]			
3 The PASRR Determination Notice is sent to the: [483.130(k)]			
a) Evaluated individual and his/her legal representative.			
b) Admitting or retaining NF, or other placement.			
c) Persons' attending physician.			
d) The discharging hospital, if applicable.			
e) The resident's medical records. [130(j)]			

<sup>18</sup> In states that provide SS in NFs.

## Placement Requirements, Procedures, and Options

### 1) Placement Procedures

Background:

*Placement of individuals according to PASRR determinations will follow state procedures for each placement option. SS, when determined to be needed, must be specified, and assured in the planning process — not planned after placement. HCBS alternatives should be considered.*

Action: Review your placement procedures. Assure that

After PASRR Determination — Placement Procedures		Compliance	
Requirement		Y/N	Actions needed to Comply
1	The state provides or arranges for Specialized Services, as defined by the state, for individuals with SMI/MR who need continuous supervision, treatment, and training by qualified professionals. [483.120(b)]		
2	An evaluated person who is determined to need NF and chooses the HCBS waiver option: <ul style="list-style-type: none"> <li>• is assisted in applying for the waiver</li> <li>• is given the choice of admission to the NF until he/she can be placed in a waiver;</li> <li>• the SMA tracks him/her for placement in a waiver;</li> <li>• placement in a waiver from the NF is achieved.</li> </ul>		

**2) Placement Options**

Background:

*PASRR regulations at §§483.116 and .118 provide placement options according to the outcome of determinations about need for NF and need for SS. SOME OPTIONS, AS INDICATED BELOW, DO NOT APPLY WHEN SS ARE PLACEMENTS OTHER THAN NF.*

**Option for residents of 30 months or more:** *Continuous length of stay in a NF is calculated back from the date of the first RR determination that NF is not needed.*

*Temporary absences for a hospital stay or therapeutic leave are counted towards length of stay, as are consecutive residences in more than one NF, including a Medicare SNF stay.*

Action: Review placement procedures. Assure that

After PASRR Determination — Placement Options				Compliance	
	Needs NF	Needs SS	Permitted placement options [ 483.116, .118, .126, .130(m)]	Y/N	Actions needed to Comply
1	Yes	No	Admit, retain, or readmit to a Medicaid certified NF, if individual’s specified treatment needs do not exceed the level of services available at the selected NF.		
2	Yes‡	Yes	<u>Admit, retain, or readmit as above, only if state provides or arranges for required special services.</u>		
3	No	No	Do not admit or readmit to NF. Arrange for safe and orderly discharge of current resident, per §483.12(a). Consider institutional and non-institutional alternatives as appropriate: <ul style="list-style-type: none"> <li>• Under 21: Inpatient psych hospital</li> <li>• 65 or older :Institution for mental diseases (IMD)</li> <li>• ICF/MR</li> <li>• Home and community-based services.</li> </ul>		
4	No	Yes	<ul style="list-style-type: none"> <li>• Do not admit applicant.</li> <li>• Short-term NF resident (&lt;30 continuous months): discharged in a safe and orderly manner, to an alternative setting with state-provided SS.</li> <li>• <u>Long-term NF resident (continuous stay of ≥ 30 months per §483.118(c)(3)) may choose to remain in the NF for SS, or choose an alternative setting with state-provided SS. ‡</u></li> <li>• IT IS NOT CLEAR HOW TO APPLY §483.120(C)(1) IN STATES THAT DEFINE SS AS PLACEMENT OTHER THAN A NF.</li> </ul>		

‡ NOT APPLICABLE WHERE SS ARE PLACEMENTS OTHER THAN NF

***SS in NF:** In states that define specialized services as provided in a NF, Regardless of where the individual is placed, Specialized Services, if determined to be needed, are provided by the state.*

***SS not in NF:** In states that define specialized services as provided in acute settings not in a NF, in practice, a determination that the person's total needs are such that SS are needed will automatically determine that NF is not needed at this time.*