

WHAT IS A PRTF?

Under Medicaid, a Psychiatric Residential Treatment Facility is one of three specific settings allowed to deliver inpatient psychiatric hospital services for enrollees under age 21, also known as the Psych Under-21 benefit. The other two allowable settings are psychiatric hospitals and psychiatric units of general hospitals.

PRTFs are “non-hospital inpatient” settings that:

- Have a provider agreement with their own and/or another state’s Medicaid agency to provide Psych Under-21 services, for a per diem that includes room, board and a comprehensive package of active treatment. Additional services or pharmaceuticals may be billed outside the per diem, as specified in the provider agreement. As of January 2019, states must ensure that children in PRTFs are receiving the full benefit of EPSDT, Medicaid’s Early and Periodic Screening, Diagnosis and Treatment mandate.
- Are accredited by either the Joint Commission, COA, CARF, or another state-approved accrediting organization.
- Meet federal standards for certification of the need for this level of care, physician-directed services, multi-disciplinary treatment team including specific mental health professionals, active treatment under an individualized plan of care, facility emergency preparedness plans, and conditions of participation related to the use of seclusion and restraint.

There is wide range of facilities and programs generally referred to as residential treatment or residential care for children and adolescents. The majority of them are not PRTFs. Many of them meet the Medicaid definition of an excluded Institution for Mental Diseases ([IMD](#)). States may not legally claim federal Medicaid matching payments for any otherwise-covered Medicaid service for children “residing” in excluded IMDs, whether physical or mental health services, and whether delivered on- or off-site.

In some cases, a residential facility is not a PRTF for its own state (for example, it is licensed as a child caring institution by the state where it is located), and simultaneously is a PRTF under a provider agreement with another state’s Medicaid agency. This could expose the non-PRTF state to an IMD compliance action by CMS.

Not every state has PRTFs within its borders for its own Medicaid population. In those instances, children needing a PRTF level of care may be sent out of state, or may receive services in-state at a higher or lower level of care than is clinically indicated. Or they may receive services in-state at an appropriate level of care, but not in a PRTF as defined in federal Medicaid law. Again, non-PRTF states are at some risk for IMD compliance audits by CMS, a risk that may increase after states fully implement the Family First Prevention Services Act.

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