PTAC
PASRR Technical Assistance Center

PASRR in Plain English

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For a state to have its Medicaid plan approved by the Centers for Medicare and Medicaid Services (CMS), it must maintain a Preadmission Screening and Resident Review (PASRR) program that complies with the relevant federal laws and regulations. Everyone who applies for admission to a nursing facility (NF) must be "screened" for evidence of serious mental illness (MI) and/or intellectual disabilities (ID), developmental disabilities (DD), or related conditions.

A NF must not admit an applicant who has MI and/or ID unless the appropriate state agency has determined whether a) the individual needs the level of services that a NF provides, and b) whether individuals who need NF services *also* need high-intensity "specialized services." Generally speaking, the intent of PASRR is to ensure that all NF applicants are thoroughly evaluated, that they are placed in nursing facilities *only* when appropriate, and that they receive all necessary services while they are there.

There are two types of screens: Level I and Level II. The purpose of a Level I screen is to determine whether an individual *might* have MI and/or ID. If an individual "tests positive" at Level I, the subsequent Level II screen will:

1. Confirm or disconfirm the results of the Level I screen, and
2. For individuals who have MI or ID, determine where they should be placed -- whether in a NF or in the community – and identify the set of services they require to maintain and improve their functioning.

In this brief overview of PASRR, we will discuss the definitions of MI and ID and describe the functions of the Level I and Level II screens. We will also review the responsibilities of the three state agencies most intimately involved with PASRR: the Medicaid agency, the state mental health authority (SMHA), and the state intellectual disability authority (SIDA).

Definitions of MI and ID

Before we review the Level I and Level II screens, it is important to understand that MI and ID have specific definitions *for the purposes of PASRR.* These definitions do not necessarily correspond to the definitions used in other contexts. It is also important to note that some past PASRR-related materials use the phrase "mental retardation" (MR) even though it has been superseded by the phrase "intellectual disability" (ID). Because it adheres to the federal language previously in force, the phrase "mental retardation" may still be found in past PASRR-related materials.

Mental Illness

The federal definition of MI for PASRR is best understood in terms of the four "D's":

1. A **diagnosis** or suspicion of a major mental illness such as schizophrenia, bipolar disorder, major depression, or an anxiety disorder such as OCD.
2. An *absence* of **dementia**. If dementia is also present (co-morbid with) MI, it cannot be the primary diagnosis. The individual's MI must be more serious than their dementia.
3. A well-defined **duration**. To be relevant, intensive psychiatric treatment for MI must have taken place within the last two (2) years.
4. A particular level of **disability**. The individual's MI must have

resulted in functional limitations in major life activities within the past 3 to 6 months. Crucially, the individual need not have received treatment. It is the severity and recency of impairment that matters, not whether the individual was hospitalized or even saw a mental health professional.

States are permitted to create a broader definition of SMI, as long as it does not conflict with the minimum federal standard.

Intellectual Disability and Related Conditions

The federal definition of ID for PASRR was published in 1983 by the American Association on Intellectual and Developmental Disabilities (AAIDD), formerly called the American Association on Mental Retardation (AAMR). Typically this definition requires an IQ score of less than 70, as measured by a standardized, reliable test of intellectual functioning. ID (MR) encompasses a wide range of conditions and levels of impairment. To qualify as having ID for the purposes of PASRR, an individual must also have concurrent impairments in adaptive functioning. Whatever form it takes, ID must have emerged before the age of 18, and must be likely to persist throughout a person's life.

Recall that PASRR is also intended to identify and evaluate individuals with so-called "related conditions" – conditions that are not a form of mental retardation (intellectual disability), but which often produce similar functional impairments and require similar treatment or services (hence the term "related"). Related conditions must emerge before the age of 22; they must be expected to continue indefinitely; and they must result in substantial functional imitations in 3 or more of the following major life activities:

1. Self-care
2. The understanding and use of language
3. Learning
4. Mobility
5. Self-direction
6. Capacity for independent living

Related conditions could include autism, cerebral palsy, Down Syndrome,

fetal alcohol syndrome, muscular dystrophy, seizure disorder, and traumatic brain injury. Note that this is not an exhaustive list.

Level I

All individuals who apply to reside in a Medicaid-certified nursing facility, regardless of payer, are required to receive a Level I PASRR screen to identify MI or ID. Whether an individual receives Medicare, Medicaid, or private insurance is irrelevant. PASRR is about the certification of the facility, and *not* about any facts about the individual. There are no federal requirements regarding who or what type of entity must conduct Level I screens. Level I screens can be conducted by hospital discharge planners, social workers, or even NF staff. Federal regulations do not dictate what kind of instrument states must use for their Level I screen. Instead, states can create their own screening tools, or adapt the tools in use by other states.

The purpose of the Level I screen is to identify all individuals who *might* have MI and/or ID. A properly designed Level I instrument will therefore produce a number of *false positives*. In other words, some individuals will be identified as having MI/ID who later turn out *not* to have MI/ID (at least for the purposes of PASRR). Indeed, a Level I screen that produces *no* false positives is defective, because it is failing to "catch" some individuals who *do* have MI/ID for PASRR purposes (technically speaking, the instrument is producing *false negatives*).

Level II Evaluation

PASRR Level II evaluation has three main aims:

1. To confirm whether the applicant has MI/ID;
2. To assess the applicant's need for nursing facility service; and
3. To assess whether the applicant requires specialized services or specialized rehabilitative services.

We will review each of these aims in turn.

Confirmation of MI/ID

PASRR Level II must not merely rubber stamp the outcome of the Level I. Rather it must "look behind" the diagnosis of record to identify the "true" diagnosis. The Level II must include the following elements:

1. A history and physical (H&P), performed by a physician;
2. A functional assessment, including activities of daily living (ADLs) and instrumental activities of living (IADLs);
3. A history of medication and drug use;
4. An assessment of IQ (for PASRR/ID) performed by a PhD psychologist, or an assessment of psychiatric history (for PASRR/MI) performed by a qualified assessor (e.g., a psychiatrist, a psychiatric social worker, or a nurse with substantial psychiatric experience).

Aside from the requirements listed above, the federal regulations place very few restrictions on who can perform the Level II, *except* that Level II evaluators cannot be employed in any way by a nursing facility. The conflict of interest would be too severe.

Need for Nursing Facility Services

Whether individuals have MI or ID is never enough by itself to warrant admission into a NF. The individual's MI/ID must be severe enough to require NF level of care – whether alone, or, more commonly, in combination with complex medical needs. Admitting individuals for levels of MI/ID that do not rise to NF level of care would constitute a severe violation of the Supreme Court's *Olmstead* decision and would place the state at great risk of being sanctioned by CMS or being sued by legal advocates – including the United States Department of Justice (DOJ), which is charged with enforcing *Olmstead*.

What's more, the "need for NF" is a highly individualized notion. The question that PASRR must address is not just whether an individual

needs NF level of care, but whether *this* NF can meet the person's *total needs* – their medical needs *and* their MI/ID needs. The Level II must also determine whether the individual's needs would be better met by living in the community *whether or not those services are currently available*. Even if NF placement is ultimately the most practical option, the Level II should identify the services the individual would need to live in the community, even if those services do not exist or are inaccessible (e.g., because they are provided in a distant part of the state, or because a home and community-based services waiver has a long waiting list).

Specialized Rehabilitative Services (SRS) and Specialized Services (SS)

Level II PASRR must determine whether an individual requires specialized rehabilitative services (SRS), which are provided in the NF, under the NF's ordinary per diem reimbursement. These services could include hiring additional staff or contractors, such as occupational therapists or qualified mental health/intellectual disability professionals (QMHPs/QIDPs).

Despite the similar-sounding name, specialized services (SS) are distinct from SRS. SS *exceed* the services ordinarily provided by the NF under its per diem rate. In some states, these services are provided in the NF or through off-site visits arranged by the NF (i.e., while the individual lives in the NF). In other states, SS are defined as intensive services that must be provided in another institutional setting, such as an inpatient psychiatric hospital or an intermediate care facility for the intellectually disabled (ICF/ID). Federal regulations permit both arrangements.

Combined with "regular" NF services and SRS, SS result in a "continuous active treatment program." The state must provide or arrange for the provision of specialized services to all nursing facility residents whose MI/ID was identified by the Level II PASRR.

There are no restrictions on how SS are paid for, other than that they cannot be part of the NF rate. They could be paid for by the SMHA/SIDA or by another agency. As long as they do not duplicate NF services, SS can be a Medicaid service, in which case they must be listed in the

Medicaid state plan. The state is ultimately responsible for providing or arranging SS.

Level II Determinations

Once the Level II evaluation is complete, the SMHA and/or the SIDA must produce a Level II determination. The determination is a legal document with important ramifications for the individual's care. The determination document:

- Summarizes the individualized evaluation information;
- Specifies which PASRR "target condition" was present, if any (i.e., MI, MR/ID, or a related condition);
- Says "yes" or "no" to whether Specialized Services are needed; and
- Makes specific and clear recommendations for rehabilitative services (if the person was approved for NF stay).

The determination summary and the notice indicating a right to appeal are explained to the individual and (where appropriate) to his or her legal guardian. Copies of the determination document are forwarded to the individual's primary care physician, the NF to which they applied, and (if applicable) to the referring Level I entity.

Exemptions and Categorical Determinations

Individuals who are discharged from a hospital into a Medicaid-certified NF are exempted from PASRR *if* their stay is expected to last no more than 30 days. This is the so-called "hospital discharge exemption," and it constitutes the one true exemption from the requirements of PASRR.

Categorical determinations permit states to omit the full Level II evaluation in certain circumstances that are time-limited or where the need for NF is clear. While the evaluation process is abbreviated, the function of the

resulting determination is not different from individualized determinations. Categorical determinations are *not* "exemptions."

PASRR regulations refer to "advance group determinations by category," meaning that the Level II PASRR determination is made "in advance" by the SMHA or SIDA. The determination is made in advance only in the sense that the state has previously defined criteria that apply to certain groups. "In advance" does *not* mean that other PASRR requirements are suspended, such as the need to complete determinations prior to admission to a NF.

PASRR regulations permit the SMHA or SIDA to develop categories based on certain diagnoses, severity of illness, or need for a particular service such as a ventilator, that indicate that admission to a NF is normally needed. Provisional admissions are also permitted, with time limits, pending further assessments, in the following cases:

1. Delirium
2. Emergency protective services (with a stay lasting no more than 7 days)
3. Respite

Longer stays would require a Level II Resident Review (described below).

At the option of the state, these three provisional categories may also carry a categorical determination that SS are not normally needed (because they would not help the individual – e.g., if someone is in a coma). Finally, a category may be established to determine that an individual with a dual diagnosis of ID (or related condition) with dementia does not require SS. Because SS must be determined on an individualized basis, states are not permitted to establish in advance that SS *are* needed.

An individualized Level II is not required for a categorical determination *provided* there are enough data to determine that the individual fits into an established category – typically, from existing medical records. In all other cases, an individual determination is required.

Before any category can be applied to a particular individual, it must first be approved by CMS as part of the Medicaid state plan.

Resident Review

To ensure that individuals are having their total needs met, the state must periodically review the MI/ID status of NF residents. When the regulations governing PASRR were first published in the Code of Federal Regulations in 1994, these reviews had to take place at least annually. Following the Balanced Budget Act of 1996, however, the annual requirement was struck. Thus, what started as "PASSARR" (Preadmission Screening and *Annual* Resident Review) became, simply, "PASRR." Although the regulations have not been updated, the subsequent legislative change takes precedence. Because states are free to exceed minimum federal requirements, some states have retained the annual requirement and continue to include the second *a* in "PASSARR."

A resident review (RR) is triggered whenever an individual undergoes a significant change in status *and* that change has a material impact on their functioning as it relates to their MI/ID status. The notion of "significant change" is defined by responses to the Minimum Data Set (MDS). The MDS is a survey of NF resident status that must be administered to all residents of Medicaid-certified NFs, regardless of insurance type. (In this sense, it is much like PASRR: What matters is the certification of the facility, and not any facts about the individuals in the facility). To complete the MDS, NF staff must answer a variety of questions about resident health and functional ability. The MDS must first be administered within 14 days of NF admission. It is subsequently administered quarterly (in short form) and annually (in long form).

In October 2010, CMS upgraded MDS from version 2.0 to version 3.0. MDS 2.0 contained no PASRR-related questions, so it was not possible to tell from MDS data whether an individual had previously tested positive at Level II. This has changed with MDS 3.0, which introduced question A1500. Question A1500 asks the following: "Has the resident been evaluated by Level II PASRR and determined to have a serious mental illness and/or mental retardation or a related condition?" If the answer to this question is "yes," *and* the individual has undergone a significant change in status, the NF must decide whether to refer that individual to the SMHA or SIDA (as appropriate) for a Level II RR.

In most cases, NFs should refer individuals who have experienced a significant change in status. Here, as with PASRR Level I, the aim to err on the side of "false positives" rather than "false negatives." A conversation with staff at the SMHA or SIDA may reveal that the individual does require a reassessment. But such consultations offer an opportunity for state staff to talk with NF staff both about which kinds of changes warrant a referral and about how the individual(s) in question can best have their needs met.

Responsibilities of State Agencies

Three state agencies have a major role to play in PASRR: the Medicaid agency, the state mental health authority (SMHA), and the state intellectual disability authority (SIDA). The Medicaid agency is ultimately responsible for overseeing the PASRR program. The SMHA has responsibility for Level II determinations (the final legal document), but *not* for Level II evaluations, which must be performed by an entity independent of the SMHA (e.g., the state unit on aging or a contractor hired by the Medicaid agency). The SIDA has responsibility both for Level II evaluations and for Level II determinations. Either agency may delegate its responsibilities to another party, such as a vendor of PASRR services. Thus, the SMHA may delegate Level II determinations, but not evaluations (which only the Medicaid agency can delegate). The SIDA may delegate Level II evaluations, but continue to perform Level II determinations. Alternately, it may delegate both functions.

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