



Texas hospitals encourage the state to direct the Texas Health and Human Services Commission to **pursue an 1115 demonstration waiver to eliminate the “IMD exclusion”** and increase access to inpatient treatment for adults with severe mental illness.

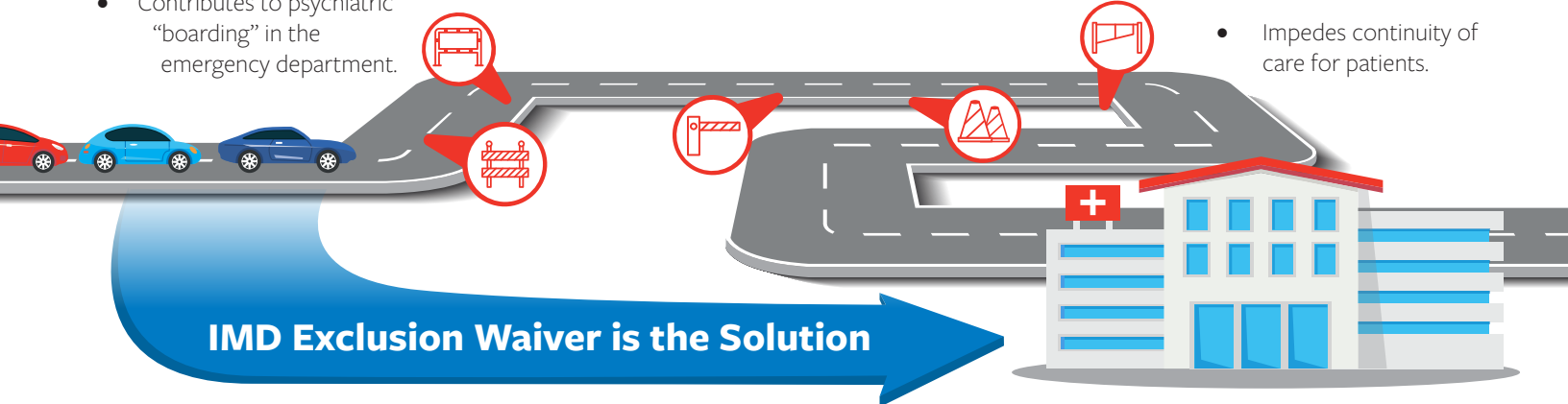
## What is the IMD exclusion?

Federal policy prohibits Medicaid spending on more than 15 days of health care services for Medicaid-eligible individuals ages 21-64 at certain inpatient psychiatric facilities or residential treatment centers that qualify as “institutions for mental disease”.



## The IMD exclusion creates roadblocks for Texans with severe mental illness.

- Obstructs mental health parity and reflects an antiquated standard of inpatient psychiatric care.
- Contributes to psychiatric “boarding” in the emergency department.
- Limits reimbursement for services provided after 15 days of care, regardless of a patient’s medical needs, increasing uncompensated care costs.
- Creates confusion for facilities that provide care to patients and are unaware of whether they have received any days of service at other facilities.
- Impedes continuity of care for patients.



A 2018 federal policy allows states to pursue waivers to remove the IMD exclusion and associated barriers to necessary inpatient mental health treatment.

## Benefits for Texas:

- Increased access to critical mental health treatment in clinically appropriate care settings.
- Increased access to available inpatient psychiatric and RTC beds.
- Improved health outcomes.
- Compensation for services provided.

