



Texas hospitals support the state **pursuing 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?

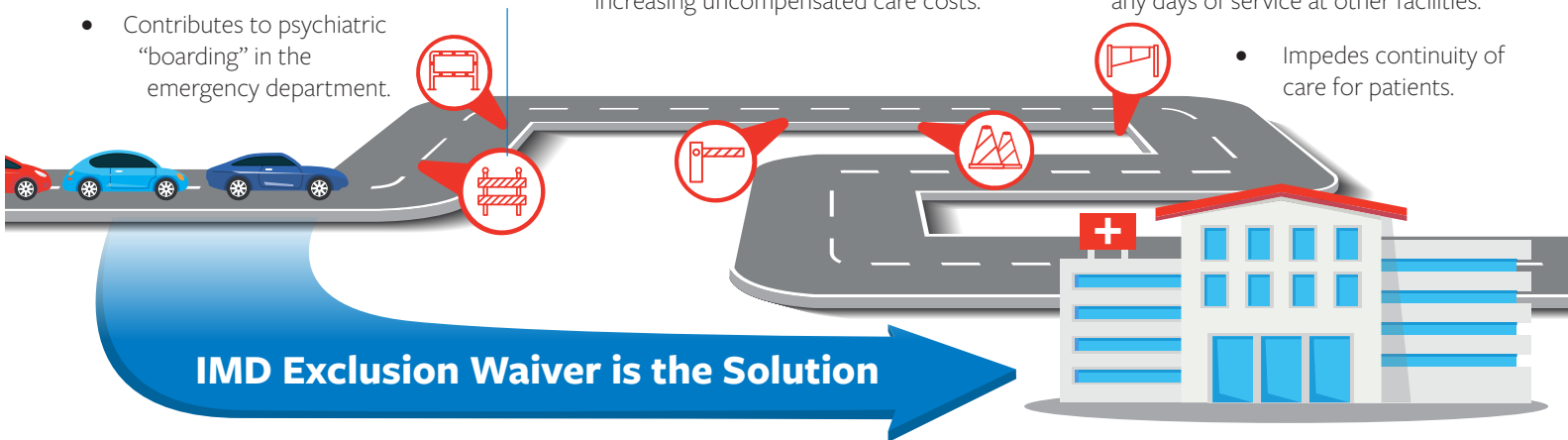
Federal policy prohibits Medicaid spending on more than 15 days of health care services for Medicaid-eligible individuals ages 21-64 at certain inpatient psychiatric facilities or residential treatment centers that qualify as “institutions for mental disease.”



A 2018 federal policy allows states to pursue waivers to remove the IMD exclusion and associated barriers to necessary inpatient mental health treatment. THA supports funding to ensure the Texas Health and Human Services Commission can apply for a Texas IMD exclusion waiver.

The IMD exclusion creates a roadblock for Texans with a 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.



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.

