

**Date:** April 2, 2024

**To:** Medicaid-certified Skilled Nursing Facility (SNF) Organizations

**Subject:** When to initiate a Preadmission Screening and Resident Review (PASRR) Reconsideration Request or Resident Review

**Purpose:** This PASRR Information Notice (IN) clarifies when a Reconsideration Request or Resident Review should be initiated and completed for submission with Treatment Authorization Requests (TARs) for review and dates of service approval.

### Executive Summary

SNFs must review the outcome of a PASRR assessment prior to accepting an individual. If a PASRR Determination Letter (Determination Letter) has been issued for the individual, a SNF must review the letter before accepting them and ensure the facility can meet the needs of the individual as identified in the Determination Letter. The SNF must not admit an individual if the facility is unable to meet their needs and place them in the appropriate level of care, as a TAR will be deferred back to the provider for clarification if there appears to be an inappropriate admission based on the Determination Letter.

If after admittance a needs assessment is conducted and the SNF thereafter disagrees with the level of care in the Determination Letter, the SNF must submit a Reconsideration Request via the PASRR Online System as soon as possible and no later than 90 days from the Determination Letter. A Department of Health Care Services (DHCS) PASRR Consulting Psychologist will review the request with all supporting documentation to determine if a redetermination is necessary.

A Reconsideration Request is not an option after 90 days of the Determination Letter. If it is past 90 days and the SNF disagrees with the PASRR Determination, the SNF may submit a new Level I Screening as a Resident Review. However, a Resident Review can be submitted at any time there is a significant change<sup>1</sup> observed in the

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<sup>1</sup> [The Centers for Medicare & Medicaid Services \(CMS\) Long-Term Care Facility Resident Assessment Instrument 3.0 User's Manual, version 1.18.11](#) defines a "significant change" as a major decline or improvement in a resident's status that: 1) Will not normally resolve itself without intervention by staff or by implementing standard disease-related clinical interventions, the decline is not considered "self-limiting"; 2) Impacts more than one area of the resident's health status; and 3) Requires interdisciplinary review and/or revision of the care plan.

individual. Once the Resident Review is initiated, the SNF must submit all supporting documentation (e.g., individual's medical records) to DHCS' Level II Evaluation Contractor (Level II Contractor) within 24 hours for review.

## **Background**

Per Title 42 of the Code of Federal Regulations (C.F.R.) sections [483.100 through 483.138](#), all individuals, regardless of payer source, seeking admission to a Medicaid-certified SNF are subject to a PASRR for screening and evaluation of suspected serious mental illness (SMI)<sup>2</sup> or intellectual disability, developmental disability, and/or related condition(s) (ID/DD/RC).<sup>3</sup> All individuals must have a preliminary screening (Level I Screening). If the Level I Screening indicates suspected SMI and/or ID/DD/RC, the individual must be referred for further evaluation (Level II Evaluation). The goal of the Level II Evaluation and subsequent Determination process is to ensure appropriate placement of individuals in the least restrictive setting that best meets their needs and identify the need for specialized services (PASRR Determination).

The Level II Evaluation is performed by a Level II Contractor. The screening and evaluation information is used by DHCS (the State Mental Health Authority) and/or by the Department of Developmental Services (DDS) to issue the PASRR Determination. Federal Financial Participation (FFP) is available for services provided to a Medicaid eligible individual determined to need NF care or specialized services after the PASRR process has been completed (42 C.F.R. 483.122). Therefore, the PASRR process must be completed prior to a SNF accepting admission.

## **Reconsideration Requests**

SNFs must ensure that the PASRR process is completed before admitting an individual to their facility. If an individual is being discharged from a hospital to a SNF, the SNF must ensure the hospital completed the PASRR process before admitting the individual

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<sup>2</sup> SMI means a schizophrenic, mood, paranoid, panic or other severe anxiety disorder; somatoform disorder; personality disorder; other psychotic disorder; or another mental disorder that may lead to a chronic disability; but not a primary diagnosis of neurocognitive disorder, including Alzheimer's disease or a related disorder, or a non-primary diagnosis of neurocognitive disorder unless the primary diagnosis is a major mental disorder. The disorder results in functional limitations in major life activities within the past three (3) to six (6) months that would be appropriate for the individual's developmental stage. The full federal definition of SMI is available at [42 C.F.R. 483.102\(b\)](#).

<sup>3</sup> ID/DD/RC means a disability, whether intellectual or disabling, that is not solely physical in nature and closely related to an intellectual disability or requires similar treatment, that originates before an individual is twenty-one (21) years of age, continues, or can be expected to continue indefinitely and constitutes a substantial disability for that individual. This term shall include, but is not limited to, intellectual disability, cerebral palsy, epilepsy, and autism. The full federal definition of ID/DD/RC is available at [42 C.F.R. 483.102\(b\)\(3\)](#).

by accepting and reviewing the PASRR documentation<sup>4</sup> submitted by the hospital via the file exchange feature in the PASRR Online System for SMI cases, or by mail, email, or fax for ID/DD/RC cases.<sup>5</sup> Prior to admitting individuals from a setting other than a hospital, the SNF must initiate the PASRR process by submitting a Level I Screening.

If a Determination Letter was issued for an individual with SMI, the SNF must review the letter before admitting them and ensure the facility can meet the needs of the individual as identified in the Determination Letter. The SNF must not admit the individual if the facility is unable to meet their needs and place them in the appropriate level of care as a TAR (applicable for Medi-Cal fee-for-service (FFS) members) will be deferred back to the provider for clarification if there is an inappropriate admission based on the Determination Letter. If after admittance a needs assessment is conducted and the SNF thereafter disagrees with the level of care in the Determination Letter, the SNF may submit a Reconsideration Request using the PASRR Online System within 90 days of the Determination Letter. DHCS will review the request with supporting documentation and determine if a redetermination is necessary.

After 90 days of the Determination Letter, a Reconsideration Request is no longer an option and the SNF may proceed with a Resident Review. However, a Resident Review can be submitted at any time there is a significant change in condition observed in the individual. Once the Resident Review is initiated, the SNF must submit all supporting documentation (e.g., individual's medical records) to DHCS' Level II Contractor within 24 hours for review.

### **Resident Review**

SNFs must initiate a Resident Review by completing a Level I Screening when the following occurs:

- Within 72 hours of identifying a significant change in condition relating to the individual's SMI and/or ID/DD/RC;
- Within 72 hours of discovering the Minimum Data Set (MDS) does not match the Level I Screening from the hospital;

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<sup>4</sup> PASRR documentation issued by DHCS that the SNFs must review include the Notice of No Need Letter, Notice of Need Letter, Categorical Letter, Exempted Hospital Discharge Letter, Attempt Letter, Determination Letter, and Unavailable Letter, as applicable. Additionally, PASRR documentation issued by DDS and/or by the DDS Regional Center that the SNFs must review include the Notice of No Need Letter and PASRR Summary Report, as applicable.

<sup>5</sup> For SMI cases, the required method for sending PASRR documentation to the SNFs is the file exchange feature in the PASRR Online System as it allows SNFs to view the entire case in the system and submit a Reconsideration Request as applicable.

- Within 40 calendar days of admission for an individual who enters a SNF as an exempted hospital discharge<sup>6</sup> and is later found to require more than 30 days of SNF care;
- After 90 days of the individual residing at the SNF, if the SNF conducts a needs assessment and disagrees with the level of care in the Determination Letter.

Individuals returning from a hospital to the SNF that demonstrate a significant change in condition must receive a Resident Review within 72 hours upon their return to the SNF. For individuals whose change in condition is not apparent or more time is needed to observe a change in condition, the SNF should use the MDS Significant Change in Status Assessment to evaluate whether a Resident Review is required.

### **Treatment Authorization Requests for Medi-Cal FFS Members**

As of January 1, 2023, DHCS is adjudicating TARs for SNF services when the PASRR process is completed. The TAR's 'from' date is the date the Determination Letter was issued by DHCS. Therefore, SNFs must:

- Ensure the TAR's 'from' date requested on the TAR is on or after the Determination Letter date. If the TAR's 'from' date is before the Determination Letter date, the TAR will be modified to the date on the Determination Letter.
- Review the outcome of a PASRR assessment prior to admitting an individual. If a Determination Letter was issued for an individual with SMI, the SNF must review the letter before admitting them to ensure the facility can meet the needs of the individual identified in the Determination Letter. The SNF must not admit the individual if the facility is unable to meet the individual's needs and place them in the appropriate level of care. If an individual is placed in a level of care that is not approved in the Determination Letter, the TAR will be deferred.
- Respond to a deferred TAR within 30 days. The SNF may respond by submitting the deferred TAR with updates, such as the results of a Reconsideration Request or Resident Review per the guidelines in this notice. If no response to the deferred TAR is submitted within 30 days, the TAR will be denied.

SNFs are to use the PASRR completed by the hospital, if applicable, for their TAR submissions. SNFs must not submit a new Level I Screening with a new TAR if there is already an existing TAR submitted. Furthermore, for individuals who have not demonstrated a significant change in condition, the SNF must not initiate a Resident Review. Instead, the SNF must submit the existing PASRR documentation with the TAR.

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<sup>6</sup> Exempted hospital discharge means an individual 1) who is admitted to any SNF directly from a hospital after receiving acute inpatient care at the hospital; 2) who requires SNF services for the condition for which they received care in the hospital; 3) whose attending physician has certified before admission to the facility that the individual is likely to require less than 30 days SNF services.

PASRR cases closed as “Attempt” or “Unavailable” due the SNF not providing the required documentation to the Level II Contractor timely (within 24 hours of a positive Level I Screening) or the unavailability of an individual during the scheduled Level II Evaluation are not considered completed. “Attempt” and “Unavailable” Letters issued in the PASRR Online System due to reasons stated above are not valid documentation for TAR approval because the PASRR process was not completed. Therefore, for cases closed as “Attempt” or “Unavailable” due to such reasons, the SNFs are required to submit a new Level I Screening to commence the PASRR process again and ensure successful completion.

### **Prior Authorization Requests for Medi-Cal Managed Care Members**

As of May 1, 2023, Medi-Cal Managed Care Health Plans (MCPs) are approving prior authorization requests for SNF placement after the PASRR process is completed. SNFs must follow the MCPs’ established policies and procedures for submitting prior authorization requests with supporting documentation. For additional information on the Hospital and SNF PASRR responsibilities for MCP prior authorization requests, please refer to [PASRR IN 23-001](#).

### **References**

For further guidance, please visit the [PASRR website](#).

For PASRR Information Notices, please visit the [PASRR Information Notices](#) page.

For training material, please visit the [PASRR Training](#) page.

For questions regarding this PASRR IN, please contact DHCS’ PASRR program staff at [ITServiceDesk@dhcs.ca.gov](mailto:ITServiceDesk@dhcs.ca.gov).

Sincerely,



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