ADMINISTRATIVE POLICY STATEMENT
Marketplace

Policy Name & Number	Date Effective
Residential Treatment Services - Mental Health- MP-AD-1265	IN, GA, KY, WV: 03/01/2023 OH: 04/01/2023
Policy Type	
ADMINISTRATIVE	

Administrative Policy Statement prepared by CareSource and its affiliates are derived from literature based on and supported by clinical guidelines, nationally recognized utilization and technology assessment guidelines, other medical management industry standards, and published MCO clinical policy guidelines. Medically necessary services include, but are not limited to, those health care services or supplies that are proper and necessary for the diagnosis or treatment of disease, illness, or injury and without which the patient can be expected to suffer prolonged, increased or new morbidity, impairment of function, dysfunction of a body organ or part, or significant pain and discomfort. These services meet the standards of good medical practice in the local area, are the lowest cost alternative, and are not provided mainly for the convenience of the member or provider. Medically necessary services also include those services defined in any Evidence of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other policies and procedures.

Administrative Policy Statements prepared by CareSource and its affiliates do not ensure an authorization or payment of services. Please refer to the plan contract (often referred to as the Evidence of Coverage) for the service(s) referenced in the Administrative Policy Statement. If there is a conflict between the Administrative Policy Statement and the plan contract (i.e., Evidence of Coverage), then the plan contract (i.e., Evidence of Coverage) will be the controlling document used to make the determination.

According to the rules of Mental Health Parity Addiction Equity Act (MHPAEA), coverage for the diagnosis and treatment of a behavioral health disorder will not be subject to any limitations that are less favorable than the limitations that apply to medical conditions as covered under this policy.

This policy applies to the following Marketplace(s):				
☒ **Georgia**	☒ **Indiana**	☒ **Kentucky**	☒ **Ohio**	☒ **West Virginia**

Table of Contents

A. Subject

Residential Treatment Services – Mental Health

B. Background

Mental health (MH) services are provided along a continuum of care where the level of care varies dependent on the type and intensity of services provided. These services involve an integrated system of care, ranging from outpatient services to residential treatment, that offers comprehensive services based on member needs and examines factors such as support systems available, prior life experiences, and behavioral, physical, gender, cultural, cognitive, and/or social factors.

Treatment of mental health conditions is dependent on a diagnosis based on criteria found in the Diagnostic and Statistical Manual of Mental Disorders (DSM). Appropriate assessment and diagnosis (-es) ensure that care is delivered consistently with industry-standard criteria and evidence-based treatment measures.

C. Definitions

- **Inpatient Services** - Behavioral health or substance use disorder services provided during an inpatient admission or confinement for acute inpatient services in a hospital or treatment setting on a 24-basis under the direct care of a physician, including psychiatric hospitalization, inpatient detoxification, and emergency evaluation and stabilization.
- **Intensive Outpatient Services** – Services addressing mental health or substance abuse issues provided by behavioral health facilities, group practices or clinics for at least three (3) hours of treatment per day at least two (2) to three (3) days per week and usually a step down from acute inpatient care, partial hospitalization care, or residential care but a step up from traditional outpatient services.
- **Outpatient Services** - Behavioral health or substance use disorder services provided to a member on an ambulatory basis in an office or clinic setting, typically weekly or biweekly, including diagnostic evaluation, psychological testing, and psychotherapy.
- **Partial Hospitalization** - Structured, multimodal, active treatment for behavioral health or substance use disorders less than 24 hours including individual, group and/or family psychotherapy, member education and training, and diagnostic services focusing on member reintegration into society.
- **Residential Treatment** – Services for behavioral health or substance use disorder issues that can include individual, family and group therapy, nursing services, medication assisted treatment, detoxification (ambulatory or subacute) and pharmacological therapy in a congregate living community with 24-hour support.

D. Policy

I. Prior authorization is required for residential treatment services for mental health diagnoses. CareSource follows MCG Health for medical necessity reviews.

II. Billing

A. Reimbursement is considered a bundled, all-inclusive per diem service payment. Concurrent billing of individual services is not reimbursable.

B. Residential treatment services are not reimbursable for non-participating facilities or providers without a mutually agreed upon need for and negotiated single case agreement (SCA).

C. Residential treatment is not reimbursable in situations where housing arrangements are unavailable or unsuitable, and the inclusion of therapy services as part of treatment does not warrant coverage in this situation.

D. Payments are made at the group level, not at the individual, rendering provider level. Rendering provider is not necessary on either UB04 or CMS1500 forms.

1. For UB04 billing, revenue code 0900 should be used with identified procedure code.
2. CMS 1500 claims are process by CareSource only when the place of service is 56 (Psychiatric Residential Treatment Center).

E. In the event of any conflict between this policy and a provider's agreement with CareSource, the provider's agreement will be the governing document.

E. Conditions of Coverage

Reimbursement is dependent on, but not limited to, submitting approved Healthcare Common Procedure Coding System (HCPCS) and Current Procedural Terminology (CPT) codes along with appropriate modifiers, if applicable. The following list(s) of codes is provided as a reference only, may not be all inclusive, and is subject to updates.

HCPCS Code	Description
H0018	Behavioral Health; short-term residential (nonhospital residential treatment program), without room and board, per diem
H0019	Behavioral Health; long-term residential (nonmedical, nonacute care in residential treatment program with stay typically longer than 30 days), without room and board, per diem

F. Related Policies/Rules

Medical Necessity Determinations
Evidence of Coverage

G. Review/Revision History

	DATE	ACTION
Date Issued	11/30/2022	Archived individual policies (GA AD-1140, IN AD-1139, KY AD-1136, OH AD-1138, WV AD-1137)
Date Revised		
Date Effective	IN, GA, KY, WV: 03/01/2023 OH: 04/01/2023	
Date Archived		

The ADMINISTRATIVE Policy Statement detailed above has received due consideration as defined in the ADMINISTRATIVE Policy Statement Policy and is approved.

H. References

1. MCG Health. (2022). Care Guidelines. B-901-RES and B-902-RES. Retrieved October 31, 2022 from www.mcg.com.
2. CareSource Evidence of Coverage. (2023). Retrieved November 7, 2022 from www.caresource.com.
3. Centers for Medicare & Medicaid Services. (2021, September). Place of Service Codes for Professional Claims. Retrieved October 31, 2022 from www.cms.gov.

I. State-Specific Information

A. Georgia, effective: 03/01/2023
B. Indiana, effective: 03/01/2023
C. Kentucky, effective: 03/01/2023
D. Ohio, effective: 04/01/2023
E. West Virginia, effective: 03/01/2023