



# ADMINISTRATIVE POLICY STATEMENT INDIANA MARKETPLACE

Policy Name	Policy Number	Date Effective
Residential Treatment Services – Mental Health	AD-1133	01/01/2022-02/28/2023
Policy Type		
Medical	<b>ADMINISTRATIVE</b>	Pharmacy Reimbursement

Administrative Policy Statements 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.

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## A. Subject

### **Residential Treatment Services – Mental Health**

## B. Background

It is the responsibility of the submitting provider to submit the most accurate and appropriate CPT/HCPCS code(s) for the product or service that is being provided. The inclusion of a code in this policy does not imply any right to reimbursement or guarantee claims payment.

Mental Health (MH) services are provided on a continuum of care where the level of care varies dependent on the type and intensity of services provided. This policy addresses the Residential Treatment Service level of care.

Treatment of mental health conditions is dependent on a diagnosis based on the Diagnostic and Statistical Manual of Mental Disorders.

## C. Definitions

- **Residential Treatment** – A facility or distinct part of a facility for psychiatric care which provides a total 24-hour therapeutically planned and professionally staffed group living and learning environment.
- **Inpatient Services** – Health care services relating to a patient admitted to a Hospital, Skilled Nursing Facility, or Inpatient Rehabilitation Facility. Reimbursement for the service is by a diagnosis-related group system.
- **Health Care Services** – Services, supplies, devices, or pharmaceutical products for the diagnosis, prevention, treatment, cure, or relief of health condition, sickness, injury, or disease.
- **Outpatient Services** – Health care services other than inpatient services. Reimbursement for the service is per diem.

## D. Policy

- I. Prior Authorization is required.
  - A. CareSource follows MCG Health for medical necessity.
- II. Billing
  - A. Reimbursement is considered a bundled all inclusive per diem service payment and 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.
  - C. Residential treatment is not covered for situations in which home arrangements are not available or are unsuitable. The inclusion of therapy services as part of Residential Treatment does not warrant coverage in this situation.
  - D. Payments are made at the group level; not at the individual rendering provider level.
    1. Rendering provider is not necessary on either a UB04 or CMS1500 forms.



- E. For UB04 billing, revenue code 0900 should be used with identified procedure code.
- F. CareSource only processes CMS 1500 claims when the place of service is 56 – Psychiatric Residential Treatment Center.

### E. Conditions of Coverage

Reimbursement is dependent on, but not limited to, submitting approved HCPCS and CPT codes along with appropriate modifiers, if applicable. Please refer to the individual fee schedule for appropriate codes.

- The following list(s) of codes is provided as a reference. This list 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 A RESIDENTIAL TREATMENT PROGRAM WHERE STAY IS TYPICALLY LONGER THAN 30 DAYS), WITHOUT ROOM AND BOARD, PER DIEM

### F. Related Policies/Rules

Residential Treatment Center - Substance Use Disorder  
 Evidence of Coverage And Health Insurance Contract Indiana

### G. Review/Revision History

	DATES	ACTION
<b>Date Issued</b>	09/30/2020	
<b>Date Revised</b>	08/04/2021	Converted from PY-1220. Approved at PGC.
<b>Date Effective</b>	01/01/2022	
<b>Date Archived</b>	02/28/2023	This Policy is no longer active and has been archived. Please note that there could be other Policies that may have some of the same rules incorporated and CareSource reserves the right to follow CMS/State/NCCI guidelines without a formal documented Policy.

### H. References

1. MCG Health. (2021). Care Guidelines. Retrieved July 28, 2021 from [www.mcg.com](http://www.mcg.com)
2. Centers for Medicare & Medicaid Services. (2019, October). Place of Service Codes for Professional Claims. Retrieved July 28, 2021 from [www.cms.gov](http://www.cms.gov)

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