ADMINISTRATIVE POLICY STATEMENT
KENTUCKY MARKETPLACE

Policy Name	Policy Number	Date Effective
Intensive Outpatient Program – Mental Health	AD-0965	01/01/2022-02/28/2023

Policy Type			
Medical	**ADMINISTRATIVE**	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

Intensive Outpatient Program – Mental Health

B. Background

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 Intensive Outpatient 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

- **Intensive Outpatient Program (IOP) –** Intensive Outpatient Services are offered by practice groups or Facilities that provide Behavioral Health Care Services. Intensive Outpatient Services programs are defined as those that provide three (3) hours of treatment per day, and the program is available at least two (2) to three (3) days per week. Intensive Outpatient Services programs may offer group, dialectical behavior therapy, individual, and family therapy.
- **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; and does not include room and board.

D. Policy

I. Prior Authorization is required after 5 visits per calendar year.
   A. CareSource follows MCG Health for medical necessity.

II. Billing
   A. S9480 is the CPT code for Intensive outpatient psychiatric services, per diem.
   B. Reimbursement is considered a bundled service payment and concurrent billing of individual services is not reimbursable.
   C. IOP is not reimbursable for non-participating facilities or providers without a mutually agreed upon need for and negotiated single case agreement.
   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 0905 should be used with identified procedure code.

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E. Conditions of Coverage

F. Related Policies/Rules

Intensive Outpatient Program – Substance Use Disorder
Evidence of Coverage And Health Insurance Contract Kentucky

G. Review/Revision History

DATES		ACTION
Date Issued	11/11/2020	
Date Revised	08/04/2021	Prior authorization requirement and references updated. Approved at PGC.
Date Effective	01/01/2022	
Date Archived	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
2. American Psychiatric Association. (2013). Diagnostic and statistical manual of mental disorders (5thed.). Retrieved July 28, 2021 from wwwdoi.org

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

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