



ADMINISTRATIVE POLICY STATEMENT KENTUCKY MARKETPLACE

Policy Name	Policy Number	Date Effective
Residential Treatment Services – Substance Use Disorder	AD-1136	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

Residential Treatment Services – Substance Use Disorder

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.

Substance Use Disorder (SUD) services are provided on a continuum of care where the level of care varies dependent on the type and intensity of service provided. This policy address the Residential level of care. This type of care provides an intensive residential program for members with SUD. It is considered transitional with the goal of returning the member to the community with a less restrictive level of care.

Treatment of substance use disorders is dependent on a substance use disorder diagnosis based on the Diagnostic and Statistical Manual of Mental Disorders.

C. Definitions

- **Residential Treatment** – A 24 hour level of care that provides a structured program for treatment of substance use disorder(s) to live-in residents who do not require acute medical care. Services include individual and group therapy and counseling, family counseling, laboratory tests, drugs and supplies, psychological testing.
- **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.
- **Clinically Managed Services** – Per The American Society of Addiction Medicine (ASAM), these services that are directed by nonphysician addiction specialists rather than medical personnel. They are appropriate for individuals whose primary problems involve emotional, behavioral, cognitive, readiness to change, relapse, or recovery environment and who problems in Dimension 1 (Acute Intoxication and/or Withdrawal Potential) and Dimension 2 (Biomedical concern or complications), if any are minimal or can be managed through separate arrangements for medical services.
- **Medically Monitored Services** – Per ASAM, these services that are provided by an interdisciplinary staff of nurses, counselors, social workers, addiction specialists, or other health and technical personnel under the direction of a licensed physician. Medical monitoring is provided through an appropriate mix of direct patient contact, review of records, team meetings, 24-hour coverage by a physician, 24-hour nursing, and a quality assurance program.



- **Residential Levels of Care (LOC) per The ASAM Criteria®** –
 - Clinically managed services
 - 3.1 – Clinically managed low-intensity residential program
 - 3.5 – Clinically managed residential program (high intensity for adults, medium intensity for adolescents)
 - Medically monitored services
 - 3.7 – Intensive for adults, high-intensity services for adolescents

D. Policy

- I. Prior Authorization is required.
 - A. CareSource follows The ASAM Criteria® 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 housing 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 55 – Residential Substance Abuse Treatment Facility.

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	ASAM LOC	DESCRIPTION
H2034	3.1	Alcohol and/or drug abuse halfway house services, per diem
H0012	3.5	Alcohol and/or drug services; subacute detoxification (residential addiction program outpatient)
H0013	3.7	Alcohol and/or drug services; acute detoxification (residential addiction program outpatient)



F. Related Policies/Rules

Residential Treatment Center - Mental Health
 Evidence of Coverage And Health Insurance Contract Kentucky

G. Review/Revision History

DATES		ACTION
Date Issued	09/30/2020	
Date Revised	08/04/2021	Converted from PY-1247. 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

- Centers for Medicare & Medicaid Services. (2019, October). Place of Service Codes for Professional Claims. Retrieved July 28, 2021 from www.cms.gov.
- Mee-Lee D, Shulman GD, Fishman MJ, Gastfriend DR, Miller, eds. The ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-Occurring Conditions. 3rd ed. Carson City, NV: The Change Companies; 2013. Copyright 2013 by the American Society of Addiction Medicine.
- American Psychiatric Association. (2013). Diagnostic and statistical manual of mental disorders (5th ed.). Retrieved July 28, 2021 from www.doi.org.

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