COMMON GROUND
HEALTHCARE COOPERATIVE

REIMBURSEMENT POLICY STATEMENT
Wisconsin Marketplace

Policy Name & Number	Date Effective
Residential Treatment Services-Behavioral Health-WI MP-PY-1515	01/01/2025-08/31/2025
Policy Type	
REIMBURSEMENT	

Reimbursement Policies are intended to provide a general reference regarding billing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims editing logic, benefits design, and other factors are considered in developing Reimbursement Policies.

In addition to this policy, reimbursement of services is subject to member benefits and eligibility on the date of service, medical necessity, adherence to plan policies and procedures, claims editing logic, provider contractual agreements, and applicable referral, authorization, notification, and utilization management 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 federal or state coverage mandate, Evidence of Coverage or Certificate of Coverage documents, Medical Policy Statements, Provider Manuals, Member Handbooks, and/or other plan policies and procedures.

This policy does not ensure an authorization or reimbursement of services. Please refer to the plan contract (often referred to as the Evidence of Coverage or Certificate of Coverage) for the service(s) referenced herein. Except as otherwise required by law, if there is a conflict between the Reimbursement Policy Statement and the plan contract, then the plan contract will be the controlling document used to make the determination. We may use reasonable discretion in interpreting and applying this policy to services provided in a particular case and we may modify this Policy at any time.

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.

Table of Contents

A. Subject

Residential Treatment Services – Behavioral Health

B. Background

Behavioral health (BH) services are provided along a continuum of care in which 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. Substance use disorder (SUD) treatment intensity is determined by the severity of the SUD, types of substances used, support systems available, prior life experiences, and other factors mentioned above. Additional factors involved in behavioral health care can and may include the availability of treatment in the community and coverage for the cost of care.

Treatment of BH conditions is dependent on a diagnosis based on criteria found in the most current edition of the *Diagnostic and Statistical Manual of Mental Disorders (DSM)*. Appropriate assessment and diagnosis ensures that care is delivered consistently with industry-standard criteria and evidence-based treatment measures. The American Society of Addiction Medicine's (ASAM) levels 3 and 4, or residential and intensive inpatient levels of care, are considered transitional with the goal of returning the member to the community with a less restrictive level of care. Level 3 services include residential and/or inpatient services that are clinically managed or medically monitored. Level 4 services include medically managed, intensive inpatient services.

Providers use the ASAM level of care criteria as a basis for the provision of SUD benefits to deliver services for the full continuum of care, which also ensures that care is delivered consistently with industry-standard criteria. ASAM also provides key benchmarks from nationally adopted standards of care and guidelines involving evidence-based treatment measures that guide services.

C. Definitions

- **Inpatient Services** – BH 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.
- **Psychiatric Residential Treatment Center** – A distinct part of or a facility providing 24-hour therapeutic, planned, professionally staffed group living environment.
- **Residential Substance Abuse Treatment Facility** – A facility that provides treatment for substance (alcohol and drug) abuse to live-in residents who do not require acute medical care but may include individual, group and family therapy, laboratory testing, drugs and supplies, psychological testing and room and board.

D. Policy

I. Prior authorization is required for residential treatment services. Common Ground Healthcare Cooperative (CGHC) follows MCG for medical necessity reviews for mental health requests and ASAM's LOC criteria for SUD treatment requests.

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

III. 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.
   A. For UB04 billing, revenue code 0900 should be used with the identified procedure code.
   B. CMS 1500 claims are process by CGHC only when the place of service (POS) is documented as follows:
      1. mental health – POS 56 (Psychiatric Residential Treatment Center)
      2. SUD – POS 55 (Residential Substance Abuse Treatment Facility)

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

V. Limitations and exclusions include the following:
   A. Failure to provide documentation to support the necessity of test(s) or treatment(s) may result in denial of claims or services, including medical records
      1. that do not support the reasonableness and necessity of service(s) furnished
      2. in which the documentation is illegible
      3. failure to document the required level of physician or medical supervision and treatment planning
   B. The following services do not represent reasonable and medically necessary services and coverage is excluded
      1. primarily social, recreational or diversion activities, or custodial or respite care
      2. services attempting to maintain psychiatric wellness for the chronically mentally ill
      3. treatment of chronic conditions without acute exacerbation
      4. vocational training
      5. patients whose symptoms are the result of a medical condition that requires a medical/surgical setting for appropriate treatment
      6. patients whose primary problem is a physical health problem without a concurrent major psychiatric episode
      7. patients for whom treatment is being used as an alternative to incarceration
      8. unavailable or unsuitable housing arrangements (eg, inclusion of therapy services as part of treatment does not warrant coverage)

E. Conditions of Coverage

I. 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).

II. 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.

Code	Description
H0010	Alcohol and/or drug services; subacute detoxification (residential addiction program inpatient)
H0011	Alcohol and/or drug services; acute detoxification (residential addiction program inpatient)
H0012	Alcohol and/or drug services; subacute detoxification (residential addiction program outpatient); LOC 3.5
H0013	Alcohol and/or drug services; acute detoxification (residential addiction program outpatient); LOC 3.7
H0017	Behavioral health; residential (hospital residential treatment program), without room and board, per diem
H0018	Behavioral health; short-term residential (nonhospital residential treatment program), without room and board, per diem

F. Related Policies/Rules

Medical Necessity Determinations

G. Review/Revision History

	DATE	ACTION
Date Issued	11/06/2024	New policy. Approved at Committee.
Date Revised		
Date Effective	01/01/2025	
Date Archived	08/31/2025	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. American Society of Addiction Medicine. *The ASAM criteria, 4th edit*. Accessed October 18, 2024. www.asam.org
2. Anorexia Nervosa, Residential Care: B-001-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
3. Anxiety Disorders, Residential Care: B-002-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com

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

4. Attention Deficit and Disruptive Behavior Disorders, Residential Care: B-003-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024.
5. Autism Spectrum Disorders, Residential Care: B-012-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
6. Bipolar Disorders, Residential Care: B-004-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
7. Bulimia Nervosa, Binge-Eating Disorder, and Other Specified Feeding or Eating Disorders, Residential Care: B-005-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
8. *Common Ground Healthcare Cooperative Certification of Coverage.* Common Ground; 2025. Accessed October 18, 2024. www.caresource.com
9. Dementia, Residential Care: B-007-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
10. *Diagnostic and Statistical Manual of Mental Disorders, 5th Edition, Text Revised (DSM-5-TR).* American Psychiatric Association; 2022. Accessed September 19, 2024. doi:10.1176/appi.books.9780890425787
11. Eating Disorders, Residential Behavioral Health Level of Care, Adult: B-904-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
12. Eating Disorders, Residential Behavioral Health Level of Care, Child or Adolescent: B-913-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
13. Evidenced-Based Practices Resource Center. Substance Abuse and Mental Health Services Administration. Accessed October 18, 2024. www.samhsa.gov
14. Major Depressive Disorder, Residential Care: B-008-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
15. Obsessive Compulsive and Related Disorders, Residential Care: B-030-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
16. Other Psychiatric Disorders, Residential Care: B-010-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
17. Other Psychotic Disorders, Residential Care: B-011-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
18. Persistent Depressive Disorder (Dysthymia), Residential Care: B-009-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
19. Place of service code set. Centers for Medicare and Medicaid Services. Accessed October 18, 2024. www.cms.gov
20. Posttraumatic Stress Disorder, Residential Care: B-013-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
21. Residential Behavioral Health Level of Care, Adult: B-901-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com

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

22. Residential Behavioral Health Level of Care, Child or Adolescent: B-902-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com
23. Schizophrenia Spectrum Disorders, Residential Care: B-014-RES. MCG. 28th ed. Updated March 14, 2024. Accessed October 18, 2024. www.careweb.careguidelines.com