I M P O R T A N T I N F O R M A T I O N

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To All Indiana Health Coverage Programs Providers:

- This message clarifies policy established in 1997. Mental health services rendered by providers enrolled in the Indiana Health Coverage Programs (IHCP) as free-standing psychiatric hospitals are carved out of Risk Based Managed Care (RBMC) and paid on a fee-for-service basis. Claims for mental health services in a free-standing psychiatric hospital are billed on a UB92 claim form and are not the financial responsibility of the Managed Care Organizations (MCOs). Carved-out services are excluded from the capitation payments based on the provider type and specialty.

  In order to receive reimbursement for mental health services on a fee-for-service basis, the services must be provided by a psychiatrist or a health services provider in psychology (HSPP) when rendered in outpatient mental health clinics and community mental health clinics. Services provided by specialists who are licensed psychologists, licensed clinical social workers, licensed social workers, and psychiatric nurses are also carved out of the capitation reimbursement methodology for MCOs and are reimbursed on a fee-for-service basis when they are provided under a psychiatrist's direction, and billed using the appropriate modifiers for their specialty. Additionally, the following providers can render physician-directed mental health services: licensed marriage and family therapists; licensed mental health counselors; and persons with a master's degree in social work, marriage and family therapy, or mental health counseling.
  - The MCOs are financially responsible for all facility, ancillary, and professional services related to carved-out mental health services, including services related to substance abuse and chemical dependency diagnoses, when rendered in an **acute care hospital**, by the primary medical provider (PMP), or by another specialty not enrolled as one of the specialists listed in the above paragraph.
  - Confinements in **acute care hospitals** with primary diagnoses of substance abuse and chemical dependency, for RBMC members, are the responsibility of the MCO in which the member is enrolled. MCOs are financially responsible for mental health services provided in an **acute care hospital**, regardless of the admitting diagnoses. (The responsible party for claim payment is based on billing provider type and specialty.)

  As stated in *405 IAC 5-20-5*, a certification of need for admission must be completed by the admitting hospital. The hospital must complete by telephone a precertification review prior to admission for an individual who is admitted to the facility as a nonemergency. This must be followed by a written certification of need within 10 working days of admission. The hospital must complete by

telephone a precertification review within 48 hours of an emergency admission, not including Saturdays, Sundays, and legal holidays. This must be followed by a written certification of need within 14 working days of admission. If the provider fails to call within 48 hours of an emergency admission, not including Saturdays, Sundays, and legal holidays, the IHCP reimbursement will be denied for the period from admission to the actual date of notification. The 1261A form (*The Plan of Care for Inpatient Psychiatric Hospital Services and Determination of Medicaid Eligibility Certification*) is submitted by the rendering facility to the MCO in which the member is enrolled.

- The purpose of this article is to correct the phone number communicated to providers in the Package C Program Training Schedule bulletin, BT199929, dated November 24, 1999. The phone number on the provider registration form included with the bulletin was incorrect. To contact EDS Provider Services about the provider training sessions or registration, please call **(317) 488-5195**. This voice mail number replaces the one listed on the registration form included in bulletin, BT199929. Further information regarding the Package C Program Training Schedule can be found on the Web site, www.indianamedicaid.com.