Indiana Health Coverage Programs

PROVIDER BULLETIN

BT200206 FEBRUARY 5, 2002

To: All Community Mental Health Centers

Subject: Medicaid Rehabilitation Option Issues

Overview

The purpose of this bulletin is to notify providers of a third party liability (TPL) policy change to Medicaid Rehabilitation Option (MRO) procedure code *X3047*. The bulletin also provides clarification about using procedure codes and modifiers for partial hospitalization services.

TPL Editing

The Office of Medicaid Policy and Planning (OMPP) reviewed documentation and examples of medication/somatic treatment and determined that medication/somatic treatment, procedure code *X3047***,** should continue to bypass the TPL edits. The change is retroactive to the date the edit was turned off, November 1, 2001. Providers should resubmit claims for procedure code *X3047* that denied for TPL edits. There will not be a mass adjustment for these denials. Claims must be submitted within the filing limit, which is one year from the date of service.

Tables 1.1 and 1.2 identify services and their respective procedure codes and indicate whether or not they are exempt from TPL edits.

Table 1.1 – MRO Procedure Codes Subject to TPL Cost Avoidance Edits

Code	Description
X3040	Outpatient Diagnostic Assessment/Prehospitalization Screening
X3042	Individual Counseling
X3044	Family Counseling
X3045	Group Counseling

The codes listed in Table 1.2 continue to bypass the TPL cost avoidance edits and do not need to be submitted to Medicare or private insurance before being submitted to the IHCP.

Table 1.2 – Codes That Bypass TPL Cost Avoidance Edits

Code	Description
X3046	Crisis Intervention
X3047	Medication/Somatic Treatment
X3048	Training in Activities of Daily Living
X3050	Case Management
W9082	Group Training in Activities of Daily Living
Z5025	Case Management – Second Case Manager
X3049	Partial Hospitalization

Partial hospitalization (PH) is exempt from TPL edits. However, if a Community Mental Health Clinic's (CMHC's) PH program meets the requirements for the Medicare program and therefore, qualifies for Medicare reimbursement, the provider must bill Medicare first. The provider must have a PH program description sufficient to distinguish its program from Medicare and to substantiate why it does not qualify for Medicare reimbursement requirements. Distinguishing features should include, but are not limited to: level of intensity, staffing requirements, hours of programming, and clinical supervision requirements. Documentation must be available for future IHCP surveillance and utilization review (SUR) audits.

Modifiers and Procedure Code X3049

Several providers have asked about billing modifiers for partial hospitalization services. The following is the excerpt from a July 3, 2000, MRO Revenue and Billing Committee memorandum that provided policy clarification:

> "Partial hospitalization services, procedure code X3049, require face-to-face contact individually or in a group setting (Provider manual page R-2-20). The qualified practitioner providing the face-to-face contact is the rendering provider. Each HCFA-1500 line must have the provider number of the rendering physician, HSPP (health service provider in psychology), or supervising physician. HSPPs and physicians receive 100 percent of the Medicaid allowed rate for the service. Other MRO practitioners (i.e., non-HSPPs and non-physicians) receive 75 percent of the allowable rate.
>
> If the individual providing the face-to-face contact for partial hospitalization services is an HSPP or a physician, bill using his/her provider number as the rendering provider. Payment will be 100 percent of the allowable rate.

If the individual providing the face-to-face contact is a non-HSPP or non-physician use the supervising HSPP or physician provider number and the appropriate modifier indicating which type of mid-level practitioner provided the service. Payment will be 75 percent of the allowable rate.

CMHCs must NOT bill using the physician or HSPP number without a modifier solely because that individual is the clinical supervisor for the program, when the HSPP or physician is not providing the service."

On November 1, 2001, the IHCP simplified MRO billing by reducing the number of modifiers associated with the program. Only the following two modifiers are associated with MRO procedure codes:

- **AH –** For all psychologist services
- **AJ** – For all social worker services and all other qualified providers

MRO services billed with an AH or AJ modifier in form locator 24D of the HCFA-1500 claim form are reimbursed at 75 percent of the resource-based relative value scale.

To be reimbursed at 100 percent, rendering physicians, psychiatrists, or HSPPs should bill without modifiers.

Additional Information

Questions about the information in this bulletin should be directed to EDS Customer Assistance at (317) 655-3240 in the Indianapolis local area or 1-800-577-1278.