

Affected Programs: BadgerCare Plus, Medicaid

To: Advanced Practice Nurse Prescribers with Psychiatric Specialty, Behavioral Treatment Providers, Federally Qualified Health Centers, Hospitals Providers, Intensive In-Home Mental Health and Substance Abuse Treatment Services for Children Providers, Master's-Level Psychotherapists, Nurse Practitioners, Outpatient Mental Health Clinics, Physician Assistants, Physician Clinics, Physicians, Psychologists, Qualified Treatment Trainee, Rural Health Clinics, Substance Abuse Counselors, HMOs and Other Managed Care Programs

New Prior Authorization Policy for Outpatient Behavioral Health Services

Overview

This *ForwardHealth Update* explains changes and clarifications to outpatient behavioral health services prior authorization (PA) policy, covered services, medical necessity, and documentation requirements. Outpatient behavioral health services include outpatient mental health, outpatient substance abuse, and outpatient mental health and substance abuse services in the home and community for adults.

Policy from this *Update* will be added to the Online Handbook in early October.

In 2016, the federal Centers for Medicare and Medicaid Services published a federal rule, titled “Application of Mental Health and Substance Abuse Disorder Parity Requirements to Medicaid Managed Care, Children’s Health Insurance Program (CHIP) and Benchmark Coverage” (81 Federal Register 18390), that details multiple criteria for Medicaid programs to ensure coverage of mental health and substance abuse disorder treatment is equivalent to coverage of other medical or surgical services. This federal rule confirms Medicaid programs’ authority to use a PA process to evaluate the medical necessity of services.

ForwardHealth is revising the current fee-for-service PA criteria for outpatient mental health and outpatient substance

abuse treatment to ensure the intent for mental health and substance abuse parity is applied for all BadgerCare Plus and Wisconsin Medicaid members.

New PA Policy

Effective for dates of service (DOS) **on and after** October 1, 2017, ForwardHealth will be discontinuing the PA requirement for outpatient mental health and outpatient substance abuse treatment in excess of 15 hours or \$825 per year. PA will no longer be required for outpatient mental health and outpatient substance abuse assessments in excess of eight hours per year.

Note: PA requirements for other covered services are not impacted by this change (e.g., day treatment services).

PA for Treatment

The removal of the PA requirement outlined above impacts services currently covered under the outpatient mental health, outpatient substance abuse, and outpatient mental health and substance abuse services in the home and community for adults benefits as described further in this *Update*. All other program requirements remain in effect, including, but not limited to, the following:

- Medical necessity
- Covered and noncovered service descriptions

- Allowable providers
- Claims submission
- Documentation requirements

For DOS **before** October 1, 2017, providers will continue to be required to submit PA requests for members who have received outpatient mental health or substance abuse treatment exceeding the allowed 15 hours or \$825 per year threshold in 2017 and will require additional treatment prior to October 1, 2017. Providers are required to include all the information currently required by ForwardHealth on the PA to determine medical necessity.

Any outpatient mental health or substance abuse treatment delivered prior to October 1, 2017, for members who have reached the current 15 hours or \$825 per year PA threshold will not be reimbursed unless a PA request is received and approved in accordance with current program requirements.

ForwardHealth will continue to review PA requests submitted for DOS prior to October 1, 2017, using the existing review process. PA requests may be returned for additional information or denied if the services requested are not medically necessary.

PA for Assessments

The removal of the PA requirement outlined above impacts assessment services currently covered under the outpatient mental health and the outpatient mental health and substance abuse services in the home and community for adults benefits as described further in this *Update*. All other program requirements remain in effect, including, but not limited to: medical necessity, covered and noncovered service descriptions, allowable providers, claims submission, and documentation requirements.

For DOS **before** October 1, 2017, providers continue to be required to submit PA requests for members who have received an outpatient mental health or a substance abuse assessment exceeding the allowed eight hours per year threshold in 2017 and will require an additional assessment prior to October 2017. Providers are required to include all

the information currently required by ForwardHealth on the PA to determine medical necessity.

Any outpatient mental health or substance abuse assessments delivered prior to October 1, 2017, for members who have reached the current eight hours per year PA threshold will not be reimbursed unless a PA request is received and approved in accordance with current program requirements.

ForwardHealth will continue to review PA requests submitted for DOS prior to October 1, 2017, using the existing review process. PA requests may be returned for additional information or denied if the services requested are not medically necessary.

Covered Services

Outpatient Mental Health Services

As a reminder, covered outpatient mental health services include strength-based assessments, differential diagnostic evaluations, psychotherapy services, and other psychiatric services in outpatient settings. The intensity and modality of treatment should be adjusted to the individual needs of the member. If the nature and severity of the member's disorder requires more intensive treatment than can be safely provided by an outpatient mental health clinic or licensed psychotherapist, a higher level of care (LOC) should be considered. Examples of circumstances when it may be appropriate to provide outpatient mental health treatment for individuals with more than typical needs include:

- Members discharged from an inpatient, residential, or day treatment program in the last 90 days and more frequent treatment is required for stabilization during the member's transition to less restrictive care.
- Members initiating primary treatment in an evidence-based modality that supports a limited period of more frequent intervention.
- Members experiencing a sudden, unexpected increase in symptoms and/or behaviors that can be immediately stabilized with more frequent treatment on an outpatient basis. If more frequent treatment does not reduce the heightened severity of the member's

disorder, the member should be referred to a higher LOC.

Outpatient Substance Abuse Services

As a reminder, covered outpatient substance abuse services include individual, family, and group counseling. Assessment services are covered under the outpatient mental health benefit. Providers are required to use approved placement criteria (e.g., the American Society of Addiction Medicine [ASAM] placement criteria) to assess and determine an appropriate LOC. If a member requires treatment at a higher LOC than outpatient services, substance abuse day treatment should be considered.

Claims Submission

As a reminder, providers are required to follow the guidelines outlined in the current and applicable *Current Procedural Terminology* (CPT) or Healthcare Common Procedure Coding System (HCPCS) national coding manuals to ensure the appropriate procedure code is selected when submitting claims to ForwardHealth.

Medical Necessity

Mental health and outpatient substance abuse services provided at an outpatient LOC will no longer require PA; however, services must be medically necessary, as written in Wis. Admin. Code § DHS 101.03(96m). Wisconsin Medicaid may deny or recoup payment if a service fails to meet ForwardHealth medical necessity requirements.

The medical necessity must be documented in the member's records and include a current assessment of the member's needs and treatment plan. The assessment and treatment plan must be updated as the needs of the member change. Documentation in progress notes may be used to inform the assessment and treatment planning process, but does not replace the requirement for current documentation of a distinct assessment and treatment plan.

If progress towards the measurable goals identified in the treatment plan does not occur, the treatment plan must be amended to include either modifications to the treatment

approach in order to address any barriers to progress or more appropriate goals.

Documentation Requirements Reminder

As a reminder, providers are responsible for meeting medical and financial documentation requirements. Refer to Wis. Admin. Code § DHS 106.02(9)(a) for preparation and maintenance documentation requirements and Wis. Admin. Code § DHS 106.02(9)(c) for financial record documentation requirements. The documentation must accurately reflect the services rendered and support the level of service submitted on the claim.

The following are the medical record documentation requirements (Wis. Admin. Code § DHS 106.02[9][b]) as they apply to all mental health and substance abuse services. In each element, the applicable administrative code language is in parentheses. Providers are required to maintain the following written documentation in the member's medical record, as applicable:

- Date, department or office of the provider (as applicable), and provider name and profession
- Presenting problem (chief medical complaint or purpose of the service or services)
- Assessments (clinical findings, studies ordered, or diagnosis or medical impression)
 - ✓ Intake note signed by the therapist (clinical findings)
 - ✓ Information about past treatment, such as where it occurred, for how long, and by whom (clinical findings)
 - ✓ Mental status exam, including mood and affect, thought processes — principally orientation X3, dangerousness to others and self, and behavioral and motor observations — and other information that may be essential depending on presenting symptoms including thought processes other than orientation X3, attitude, judgment, memory, speech, thought content, perception, intellectual functioning, and general appearance (clinical findings and/or diagnosis or medical impression)
 - ✓ Biopsychosocial history, which may include, depending on the situation, educational or

vocational history, developmental history, medical history, significant past events, religious history, substance abuse history, past mental health treatment, criminal and legal history, significant past relationships and prominent influences, behavioral history, financial history, and overall life adjustment (clinical findings)

- ✓ Psychological, neuropsychological, functional, cognitive, behavioral, and/or developmental testing as indicated (studies ordered)
- ✓ Current status, including mental status, current living arrangements and social relationships, support system, current activities of daily living, current prescribed medications, current and recent substance abuse usage, current personal strengths, current vocational and educational status, and current religious attendance (clinical findings)
- Treatment plans, including treatment goals, which are expressed in functional terms that provide observable and measurable indices of performance, planned intervention, mechanics of intervention such as frequency, duration, responsible party(ies) (disposition, recommendations, and instructions given to the recipient, including any prescriptions and plans of care or treatment provided)
- Progress notes (therapies or other treatments administered) that provide data relative to accomplishment of the treatment goals in measurable terms and document significant events that are related to the person's treatment plan and assessments and that contribute to an overall understanding of the person's ongoing level and quality of functioning

Information Regarding Managed Care Organizations

This *Update* contains fee-for-service policy and applies to services members receive on a fee-for-service basis only. For managed care policy, contact the appropriate managed care organization (MCO). MCOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *ForwardHealth Update* is the first source of program policy and billing information for providers.

Wisconsin Medicaid, BadgerCare Plus, SeniorCare, and Wisconsin Chronic Disease Program are administered by the Division of Medicaid Services, the Wisconsin Department of Health Services (DHS). The Wisconsin AIDS Drug Assistance Program and the Wisconsin Well Woman Program are administered by the Division of Public Health, DHS.

For questions, call Provider Services at 800-947-9627 or visit our website at www.forwardhealth.wi.gov/.

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