

MEDICAID SERVICES MANUAL
TRANSMITTAL LETTER

July 26, 2018

TO: CUSTODIANS OF MEDICAID SERVICES MANUAL

FROM: LYNNE FOSTER, CHIEF OF DIVISION COMPLIANCE

SUBJECT: MEDICAID SERVICES MANUAL CHANGES
CHAPTER 400 – MENTAL HEALTH AND ALCOHOL/SUBSTANCE
ABUSE SERVICES

BACKGROUND AND EXPLANATION

Revisions to Medicaid Services Manual (MSM) Chapter 400 – Mental Health and Alcohol/ Substance Abuse Services are proposed to clarify service limitations for Psychotherapy services, MSM 403.5.C. The proposed policy changes require a prior authorization (PA) for all Psychotherapy services including individual, group, family therapy and neurotherapy. Additional services above the service limitations may be requested with a PA demonstrating medical necessity.

Additional proposed changes will include updates and clarifications to the Intensity of Services Grid for both adolescents and adults. This will reflect the service limitations that are currently identified in the chapter and is not a change to policy.

Throughout the chapter, grammar, punctuation and capitalization changes were made, duplications removed, acronyms used and standardized and language reworded for clarity. Renumbering and re-arranging of sections was necessary.

Entities Financially Affected: Behavioral Health Outpatient Treatment (Provider Type (PT) 14) and Behavioral Health Rehabilitative Treatment (PT 82).

Financial Impact on Local Government: None.

These changes are effective July 27, 2018.

MATERIAL TRANSMITTED

CL
MSM 400 – Mental Health and Alcohol/
Substance Abuse Services

MATERIAL SUPERSEDED

MTL 21/17
MSM 400 – Mental Health and Alcohol/
Substance Abuse Services

Manual Section	Section Title	Background and Explanation of Policy Changes, Clarifications and Updates
403.5(C)(4)	Outpatient Mental Health (OMH) Services – Utilization Management	Intensity of Services grid for adolescents was updated to reflect the service limitations already identified in policy. Additional language added after Intensity of Services Grid to specify that PAs are required for all Psychotherapy sessions (individual, group, family and neurotherapy). Additional services above the service limitations may be requested with a PA demonstrating medical necessity.
403.5(C)(5)	Outpatient Mental Health (OMH) Services – Utilization Management	Intensity of Services grid for adults was updated to reflect the service limitations already identified in policy. Additional language added after Intensity of Services Grid to specify that PAs are required for all Psychotherapy sessions (individual, group, family and neurotherapy). Additional services above the service limitations may be requested with a PA demonstrating medical necessity.

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4. Medication Training and Support – Provided by a professional other than a physician, is covered for monitoring of compliance, side effects, recipient education and coordination of requests to a physician for changes in medication(s).

403.5 OUTPATIENT MENTAL HEALTH (OMH) SERVICES - UTILIZATION MANAGEMENT

A. INTENSITY OF NEEDS DETERMINATION

The assessed level of needs and the amount, scope and duration of RMH services required to improve or retain a recipient’s level of functioning or prevent relapse. The determination cannot be based upon the habilitative needs of the recipient. Intensity of needs determination is completed by a trained QMHP or QMHA. Intensity of Needs Determinations are based on several components consistent with person and family centered treatment/rehabilitation planning. Intensity of Needs redeterminations must be completed every 90 days or anytime there is a substantial change in the recipient’s clinical status.

These components include:

1. A comprehensive assessment of the recipient’s level of functioning;
2. The clinical judgment of the QMHP; and
3. A proposed Treatment and/or Rehabilitation Plan.

B. INTENSITY OF NEEDS GRID

1. The intensity of needs grid is an approved Level of Care (LOC) utilization system, which bases the intensity of services on the assessed needs of a recipient. The determined level on the grid guides the interdisciplinary team in planning treatment to improve or retain a recipient’s level of functioning or prevent relapse. Each Medicaid recipient must have an intensity of needs determination completed prior to approval to transition to more intensive services (except in the case of a physician or psychologist practicing as independent providers). The intensity of needs grid was previously referred to as level of services grid.

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2. Intensity of Need for Children:

Child and Adolescent Service Intensity Instrument (CASII)	Service Criteria
Levels I Basic Services: Recovery Maintenance and Health Management	<ul style="list-style-type: none"> • Significant Life Stressors and/or current ICD codes, Z55-Z65, R45.850 and R45.821 that does not meet SED criteria (excluding dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness).
Level II Outpatient Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders that does not meet SED criteria (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness).
Level III Intensive Outpatient Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SED Determination.
Levels IV Intensive Integrated Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and SED Determination.
Level V Non-secure, 24 hour Services with Psychiatric Monitoring	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SED Determination; and • Requires specialized treatment (e.g., sex offender treatment, etc.).
Level VI Secure, 24 hour, Services with Psychiatric Management	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SED Determination; and • Requires inpatient/secured LOC.

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3. Intensity of Needs for Adults:

Level of Care Utilization System for Adults (LOCUS)	Service Criteria
Levels I Basic Services: Recovery Maintenance and Health Management	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders, including Z55-Z65, R45.850 and R45.821 codes, that do not meet SMI criteria (excluding dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness).
Level II Low Intensity Community Based Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders, including Z55-Z65, R45.850 and R45.821 codes that do not meet SMI criteria (excluding dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness).
Level III High Intensity Community Based Services (HCBS)	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SMI determination.
Levels IV Medically Monitored Non-Residential Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SMI determination.
Level V Medically Monitored Residential Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SMI determination; and • Requires specialized treatment (e.g. sex offender treatment, etc).
Level VI Medically Managed Residential Services	<ul style="list-style-type: none"> • Current ICD diagnosis in Mental, Behavioral, and Neurodevelopmental Disorders (excluding Z55-Z65, R45.850 and R45.821 codes, dementia, intellectual disabilities and related conditions, or a primary diagnosis of a substance abuse disorder, unless these conditions co-occur with a mental illness); and • SMI determination; and • Requires inpatient/secured LOC.

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C. Utilization Management for outpatient mental health services is provided by the DHCFP QIO-like vendor as follows:

1. For BHCN, all service limitations are based upon the Intensity of Needs Grid in the definitions. The recipient must have an Intensity of Needs determination to supplement clinical judgment and to determine the appropriate service utilization. The provider must document in the case notes the level that is determined from the Intensity of Needs grid;
2. Independent psychologists are not subject to the service limitations in the Intensity of Needs Grid. The following service limitations are for psychologists:
 - a. Assessments – two per calendar year, additional services require prior authorization from the QIO-like vendor; and
 - b. Therapy (group, individual, family) – a combination of up to twenty-six visits per calendar year is allowed without prior authorization. Additional services require prior authorization from the QIO-like vendor.
3. Independent psychiatrists are not subject to the service limitations in the Intensity of Needs grid. No prior authorization is required for this particular provider.

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4. Medicaid Behavioral Health Intensity of Needs for Children and Adolescents.

Child and Adolescent Service Intensity Instrument (CASII)	Intensity of Services (Per Calendar Year ¹)
Levels I Basic Services: Recovery Maintenance and Health Management	<ul style="list-style-type: none"> • Assessment two total sessions (does not include Mental Health Screen) • Individual, Group or Family Therapy 10 total sessions; • Medication Management six total sessions
Level II Outpatient Services	<ul style="list-style-type: none"> • Assessments: four total sessions (does not include Mental Health Screen) • Individual, Group or Family Therapy: 26 total sessions • Medication Management: eight total sessions
Level III Intensive Outpatient Services	<p>All Level Two Services Plus:</p> <ul style="list-style-type: none"> • Assessments: four total sessions (does not include Mental Health Screen) • Individual, Group or Family Therapy: 26 total sessions • Medication Management: eight total sessions • Intensive Outpatient Program (IOP)
Levels IV Intensive Integrated Services	<p>All Level Three Services</p> <ul style="list-style-type: none"> • Assessments: four total sessions (does not include Mental Health Screen) • Individual, Group or Family Therapy: 26 total sessions • Medication Management: eight total sessions • Partial Hospitalization Program (PHP)
Level V Non-secure, 24 Hour Services with Psychiatric Monitoring	<p>All Level Four Services</p> <ul style="list-style-type: none"> • Assessments: four total sessions (does not include Mental Health Screen) • Individual, Group or Family Therapy: 26 total sessions • Medication Management: eight total sessions • PHP
Level VI Secure, 24 Hour, Services with Psychiatric Management	All level Five services

All psychotherapy sessions (individual, group, family and neurotherapy) require a prior authorization demonstrating medical necessity. Prior Authorization may be requested from the QIO-like vendor for additional ~~assessment and therapy~~ services for all levels above the service limitation demonstrating medical necessity.

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- a. Service provision is based on the calendar year beginning on January 1.
- b. Sessions indicates billable codes for this service may include occurrence based codes, time-based, or a combination of both. Session = each time this service occurs regardless of the duration of the service.

5. Medicaid Behavioral Health Intensity of Needs for Adults.

Level of Care Utilization System for Adults (LOCUS)	Intensity of Service (Per Calendar Year ¹)
Levels I Basic Services - Recovery Maintenance and Health Management	<ul style="list-style-type: none"> • Assessment: two total sessions (does not include Mental Health Screen) • Individual, Group or Family Therapy: six total sessions • Medication Management: six total sessions
Level II Low Intensity Community Based Services	<ul style="list-style-type: none"> • Assessment: (two assessments; does not include Mental Health Screen) • Individual, Group or Family Therapy: 12 total sessions • Medication Management: eight total sessions
Level III High Intensity Community Based Services	<ul style="list-style-type: none"> • Assessment (two assessments; does not include Mental Health Screen) • Individual, Group and Family therapy: 12 total sessions • Medication Management: 12 total sessions • IOP
Level IV Medically Monitored Non- Residential Services	<ul style="list-style-type: none"> • Assessment (two assessments; does not include Mental Health Screen) • Individual, Group and Family Therapy: 16 total sessions • Medication Management (12 sessions) • Partial HospitalizationPHP
Level V Medically Monitored Residential Services	<ul style="list-style-type: none"> • Assessment (two assessments; does not include Mental Health Screen) • Individual, Group and Family therapy: 18 total sessions • Medication Management (12 sessions) • Partial HospitalizationPHP
Level VI Medically Managed Residential Services	All Level Five Services

All psychotherapy sessions (individual, group, family and neurotherapy) require a prior authorization demonstrating medical necessity. Prior Authorization may be requested from the QIO-like vendor for additional ~~assessment and therapy~~ services above the service limitations for all levels demonstrating medical necessity.