

Billing Guidance: Partial Hospitalization Programs (PHP) and Intensive Outpatient Programs (IOP) in outpatient and professional settings

Policy: It is the intent of the Department of Vermont Health Access (DVHA) to follow the Centers for Medicare and Medicaid Services (CMS) for program guidelines for Partial Hospitalization Programs (PHPs) and Intensive Outpatient Psychiatric Services (IOPs) for the Vermont Medicaid program.¹

PHP and IOP Summary of Services:

PHP are intensive, structured outpatient mental health treatment programs. They provide time limited mental and behavioral health and psychiatric treatment services for members who require a higher intensity of coordinated, comprehensive and multidisciplinary treatment for mental or substance use disorders. PHP services are intended to be an alternative to inpatient psychiatric level of care and are generally provided to members experiencing an exacerbation of a severe and persistent mental illness and/or substance use disorder. PHPs must offer a combination of individual, group, family, and basic skills training, as well as educational and diagnostic services.

IOP provides time limited mental and behavioral health services which can help to improve, maintain, or stabilize an individual's condition and functioning level and prevent or reduce the need for inpatient hospitalization. IOP can be a step-down from a higher level of care (such as inpatient or PHP), or a step-up from outpatient services to prevent the need for a higher level of care.

Appendix A below provides further detail on the scope of services, service limitations, and non-covered services within DVHA's PHP and IOP benefits.

PHP and IOP Billing and Payments:

PHP and IOP services are furnished through the following codes:

- H0035: Mental health PHP treatment, less than 24 hours
- S9480: IOP services, per diem

Both PHP and IOP services are reimbursed by DVHA through an all-inclusive bundled payment rate. However, there have been instances of providers billing for the all-inclusive bundle and separately billing fee-for-service for services within the bundle, resulting in overpayments. DVHA is offering this guidance to clarify what services are included in the per diem PHP and IOP bundled rates and prevent providers from separately billing for services within the bundle.

Providers are allowed to bill for PHP and IOP services in outpatient settings² (through the Outpatient Prospective Payment System, on a UB-04 claim form) or in office-based settings³ (on a CMS-1500 claim form), based on their provider type and how they have been approved to bill. Providers billing for

¹ <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/clm104c04.pdf>

² Defined by CMS as a portion of a hospital's main campus which provides diagnostic, therapeutic (both surgical and nonsurgical), and rehabilitation services to sick or injured persons who do not require hospitalization or institutionalization.

³ Defined by CMS as a location, other than a hospital, skilled nursing facility (SNF), military treatment facility, community health center, State or local public health clinic, or intermediate care facility (ICF), where the health professional routinely provides health examinations, diagnosis, and treatment of illness or injury on an ambulatory basis.

PHP/IOP services in an outpatient setting may bill for professional services separately. Providers billing for PHP/IOP services in an office-based setting may not separately bill for professional services. This applies to PHP/IOP services provided in-person or via telehealth. Table 1 articulates the services included in the PHP/IOP bundled payments. If providers bill for PHP/IOP services, they should not separately bill for these services for the same member on the same date of service. Table 1 also articulates office-based codes that are included in PHP/IOP services when billed in an office-based setting. If providers bill for PHP/IOP services in an office-based setting, they should not separately bill for these codes for the same member on the same date of service.

Table 1: PHP/IOP bundle codes

Service	Code	Services include in the bundled payment	Additional codes that should not be billed in combination with PHP/IOP bundles
PHP in an outpatient setting	H0035	<ol style="list-style-type: none"> 1. Care Coordination with other care providers 2. Clinical Assessment 3. Psychosocial Assessment 4. Individual Therapy 5. Group Therapy (No more than 10 members in a group) 6. Family Therapy 7. Medication Management 8. Medication Assisted Treatment 9. Drug Testing 10. Occupational Therapy 11. Basic Skills Training 12. Peer-to-Peer Support Services 13. Crisis Services 	N/A
PHP in an office-based setting	H0035	<ol style="list-style-type: none"> 1. Care Coordination with other care providers 2. Clinical Assessment 3. Psychosocial Assessment 4. Individual Therapy 5. Group Therapy (No more than 10 members in a group) 6. Family Therapy 7. Medication Management 8. Medication Assisted Treatment 9. Drug Testing 10. Occupational Therapy 11. Basic Skills Training 12. Peer-to-Peer Support Services 13. Crisis Services 	Evaluation & Management codes ⁴ billed in an office-based setting
IOP in an outpatient setting	S9480	<ol style="list-style-type: none"> 1. Care Coordination with other care providers 2. Clinical Assessment 3. Individual Therapy 4. Group Therapy (No more than 10 members in a group). 5. Family Therapy 6. Medication Management 7. Medication Assisted Treatment 8. Drug Testing/Toxicology Screen 9. Basic Skills Training 	N/A

⁴ Defined by the American Medical Association (AMA) as CPT codes ranging from 99202 to 99499. These represent services by a physician (or other health care professional) in which the provider is either evaluating or managing a patient's health. Procedures such as diagnostic tests, radiology, surgeries and other particular therapies are not considered evaluation and management services.

State of Vermont
Department of Vermont Health Access
 280 State Drive, NOB 1 South
 Waterbury, VT 05671-1010
<http://dvha.vermont.gov>

[Phone] 802-879-5900

Agency of Human Services

		10. Peer-to-Peer Support Services 11. Crisis Services	
IOP in an office-based setting	S9480	1. Care Coordination with other care providers 2. Clinical Assessment 3. Individual Therapy 4. Group Therapy (No more than 10 members in a group). 5. Family Therapy 6. Medication Management 7. Medication Assisted Treatment 8. Drug Testing/Toxicology Screen 9. Basic Skills Training 10. Peer-to-Peer Support Services 11. Crisis Services	Evaluation & Management codes billed in an office-based setting

DVHA does not require prior authorization (PA) or concurrent review for PHP or IOP levels of care. Providers must submit claims directly to Gainwell for reimbursement of services rendered. Providers should contact their Gainwell representative if they have questions or require further assistance: [ProviderRepMap.pdf \(vtmedicaid.com\)](#)

Providers must meet all medical necessity requirements for the provision of PHP or IOP services. Vermont Medicaid only pays for healthcare services that are medically necessary. Per [Medicaid Rule, 4.104](#), medically necessary is defined as healthcare services that are appropriate, in terms of type, amount, frequency, level, setting and duration to the member’s diagnosis or condition and must conform to generally accepted practice parameters recognized by health care providers in the same or similar general specialty who typically treat or manage the diagnosis or condition.

Appendix A: Partial Hospitalization Programs (PHP) and Intensive Outpatient Programs (IOP) Services

Partial Hospitalization Program (PHP) – PHP provides time limited mental and behavioral health and psychiatric treatment services for members who require a higher intensity of coordinated, comprehensive and multidisciplinary treatment for mental or substance use disorders. PHP services are intended to be an alternative to inpatient psychiatric level of care and are generally provided to members experiencing an exacerbation of a severe and persistent mental illness and/or substance use disorder. Medically necessary services are provided within a structured therapeutic milieu and services include active therapeutic treatment and must be targeted to meet the goals of alleviating impairments and maintaining or improving functioning to prevent relapse or hospitalization.

A. Scope of Services: PHP is an all-inclusive rate and psychiatric and psychological services noted below cannot be billed separately. PHP services may include:

1. Care Coordination with other care providers
2. Clinical Assessment
3. Psychosocial Assessment
4. Individual Therapy
5. Group Therapy (No more than 10 members in a group)
6. Family Therapy
7. Medication Management
8. Medication Assisted Treatment
9. Drug Testing
10. Occupational Therapy
11. Basic Skills Training
12. Peer-to-Peer Support Services
13. Crisis Services

B. Service Limitations:

PHP services are direct services provided in a mental/behavioral health setting for at least 15 hours per week, three days per week and no more than five days per week. For members with eating disorders, programming should be at least 30 hours per week. If more/fewer hours and/or more/fewer days are indicated, the recipient should be reevaluated.

C. Non-Covered Services in PHP include, but are not limited to:

1. Non-evidence-based models;
2. Transportation or services delivered in transit;
3. Club house, recreational, vocational, after-school or mentorship program;
4. Routine supervision, monitoring or respite;
5. Participation in community-based, social-based support groups (e.g., Alcoholics Anonymous, Narcotics Anonymous);
6. Watching films or videos;
7. Doing assigned readings; and
8. Completing inventories or questionnaires.

Intensive Outpatient Program (IOP) – IOP programs provide time limited mental and behavioral health services which can help to improve, maintain, or stabilize an individual’s condition and functioning level and prevent or reduce the need for inpatient hospitalization. IOP can be a step-down from a more

restrictive level of care, or a step-up to prevent the need for a more restrictive level of care. Medically necessary services are provided within a structured therapeutic milieu and include active therapeutic treatment and must be targeted to meet the goals of alleviating impairments and maintaining or improving functioning.

A. Scope of Services: IOP is an all-inclusive rate and psychiatric and psychological services noted below cannot be billed separately. IOP may include the following direct services:

1. Care Coordination with other care providers
2. Clinical Assessment
3. Individual Therapy
4. Group Therapy (No more than 10 members in a group).
5. Family Therapy
6. Medication Management
7. Medication Assisted Treatment
8. Drug Testing/Toxicology Screen
9. Basic Skills Training
10. Peer-to-Peer Support Services
11. Crisis Services

B. Service Limitations:

IOP services are direct services provided in a mental/behavioral health setting. Services provided must be at least 9 hours a week; three days per week, each day must include at least three hours and no more than six hours of direct service delivery as clinically indicated based on a patient-centered approach. If more/fewer hours and/or more/fewer days are indicated, the recipient should be reevaluated.

C. Non-Covered services in IOP include, but are not limited to:

1. Non-evidence-based models;
2. Transportation or services delivered in transit;
3. Club house, recreational, vocational, after-school or mentorship program;
4. Routine supervision, monitoring or respite;
5. Participating in community based, social based support groups (i.e. Alcoholics Anonymous, Narcotics Anonymous);
6. Watching films or videos;
7. Doing assigned readings; and
8. Completing inventories or questionnaires.