

Sept. 30, 2024
MB# 24-054

MEDICAID BULLETIN

TO: Outpatient Hospital and Department of Alcohol and Other Drug Abuse Services Providers

SUBJECT: Addition of Intensive Outpatient and Partial Hospitalization Programs

Effective for dates of service on or after Oct. 1, 2024, the South Carolina Department of Health and Human Services (SCDHHS) will add coverage of intensive outpatient programs (IOPs) and partial hospitalization programs (PHPs) with a psychiatric focus for children and adults who are full-benefit Healthy Connections Medicaid members.

SCDHHS is making these changes to support access to a comprehensive continuum of behavioral health services, enhance the state's provider network and ensure services are delivered effectively for Healthy Connections Medicaid members.

Outpatient Hospital Providers

Scope of Services

IOP and PHP provide clinical diagnostic and treatment services at a level of intensity similar to an inpatient or residential program but on a less than 24-hour basis. IOP and PHP may be appropriate when a patient does not require a restrictive 24-hour inpatient setting but does need a higher intensity of treatment services than standard outpatient care can provide. They can be used as a "step down" from inpatient care or a "step up" from standard outpatient treatment, operating as a stand-alone level of care to stabilize a deteriorating condition and prevent hospitalization.

Prior Authorization

Prior authorization is required for both IOP and PHP services regardless of whether the service is a "step down" or "step up" from previous levels of care. Stays beyond 30 calendar days will require a review of medical necessity for authorization of continued services. Further information on how to submit prior authorization is available from SCDHHS's quality improvement organization, Acentra Health at scdhhs.acentra.com.

Utilization Management

IOP

Admission to an IOP from an outpatient setting requires documentation describing medical necessity and recent/current behavioral health history that outlines the need to escalate to more intensive services. IOP cannot be the initial episode of care for a behavioral health condition.

PHP

Admission to a PHP from an outpatient setting requires documentation describing medical necessity and recent/current behavioral health history that outlines the need to escalate to more intensive services. PHP services are delivered under physician direction. The physician must participate in diagnosis, treatment planning and admission or discharge decisions. PHP cannot be the initial episode of care for a behavioral health condition.

All admissions to an IOP or PHP, whether from community-based services or an inpatient hospital, require a physician’s order to receive reimbursement.

Provider Qualifications and Requirements

Hospital providers must be enrolled with SCDHHS as an outpatient hospital to be reimbursed for rendering IOP/PHP services. Interested providers can learn more about the provider enrollment process [here on SCDHHS’ website](#).

Providers are required to maintain program documentation including a detailed program description, admission criteria, services provided, and typical treatment schedule as outlined in SCDHHS’ [Hospital Services Provider Manual](#). SCDHHS reserves the right to request this program documentation at any time.

Billing Guidance

IOP and PHP are reimbursed on a per diem basis using a bundled rate that includes the array of multidisciplinary services provided in either program. Procedure and revenue codes, service limits and rates for PHP and IOP are shown below.

Procedure Code	Service Definition	Service Requirements	Rates
S9480 (IOP) Revenue Code: 905	Intensive outpatient psychiatric services, per diem	<ul style="list-style-type: none"> • Nine to 19 hours of intervention per week for adults (ages 18+) • Six to 19 hours of intervention per week for children/youth (ages 6-17) 	\$207.52 per diem
H0035 (PHP) Revenue Code: 913	Mental health partial hospitalization treatment, less than 24 hours	Minimum of four hours per day, five days per week for children/youth (ages 6-17) and adults (ages 18+)	\$214.58 per diem

Detailed program guidelines and other information will be available by Oct. 1, 2024 in the Hospital Services Provider Manual.

IOP and Department of Alcohol and Other Drug Abuse Services Providers

There are no changes to the scope of services for IOP provided by the county substance use disorder authorities. These programs will continue to follow the service definition and program guidelines currently described in the [Rehabilitative Behavioral Health Services \(RBHS\) Provider Manual](#).

SCDHHS will increase the reimbursement rate for IOP services provided by county substance use disorder authorities for dates of service on or after Oct. 1, 2024, as shown below.

Procedure Code	Service Definition	Current Rate	Rate as of Oct. 1, 2024
H0015	Alcohol and/or drug services, intensive outpatient treatment level II.I	\$37.41, all-inclusive hourly rate	\$51.88, all-inclusive hourly rate

South Carolina’s Medicaid managed care organizations (MCOs) are responsible for the authorizations, coverage and reimbursement related to the services described in this bulletin for Healthy Connections Medicaid members who are enrolled in an MCO.

Providers should direct any questions related to this bulletin to the Provider Service Center (PSC) at (888) 289-0709 or to behavioralhealth004@scdhhs.gov. PSC representatives can be reached at (888) 289-0709 from 7:30 a.m.-5 p.m. Monday-Thursday and 8:30 a.m.-5 p.m. Friday. Providers can also submit an online inquiry at <https://www.scdhhs.gov/providers/contact-provider-representative>.

Thank you for your continued support of the South Carolina Healthy Connections Medicaid program.

/s/
Robert M. Kerr