

Intensive Outpatient and Partial Hospitalization

Overview of efforts to use Medicaid for Intensive Outpatient and Partial Hospitalization programs

In 2022, [Second Substitute Senate Bill 5736](#) directed the Health Care Authority (HCA) to take steps necessary to cover the services provided in Intensive Outpatient and Partial Hospitalization Programs (IOP/PHP) for persons under 21 years of age by adding it to [Washington's Medicaid State Plan](#) by January 1, 2024.

IOP/PHP refers to structured behavioral health programs that provides higher level outpatient services as an alternative to inpatient care. The program models are more intense than other models ordinarily received in a doctor's or therapist's office. The patient returns home after each treatment session.

After consulting with Centers for Medicare and Medicaid Services (CMS), the State confirmed IOP/PHP for persons under 21 years of age is already allowable under Attachment 3, Section 4b. Early, Periodic Screening, Diagnosis, and Treatment (EPSDT). Therefore, it does not require a stand-alone State Plan amendment to cover services offered in IOP/PHP programs.

Medicaid billing options

The Health Care Authority will use current standard reimbursement methodology for the payment of these programs.

Billing for IOP/PHP offered in hospital settings

- Acute care hospitals will bill for IOP/PHP by using the outpatient hospital billing guide.
 - Enhanced Ambulatory Patient Group (EAPG) methodology already allows for reimbursement of hospital outpatient PHP and IOP services under the State Plan (Attachment [4.19-B](#)).
 - Hospitals will use revenue codes **913 (Intensive PHP)** and **905 (IOP Psychiatric)**.
- The acute care hospital can also bill for professional services outside of the EAPG using the physician-related services/health care professional services billing guide for appropriate service completed.
 - The updated billing guides with IOP/PHP information will be released by January 1, 2024. HCA will track utilization by using **H0035 for PHP** and **S9480 for IOP**.

- Billing of non-licensed staff, such as certified peer counselors, is not currently available without the hospital also being a licensed behavioral health agency.

Billing for IOP/PHP offered in a behavioral health agency (BHA)

When billing for managed care enrollees

Behavioral health agencies (BHA) will bill in accordance with their contracting arrangements with each managed care organization as allowable within the State Plan under:

- Attachments 3.1-A and 3.1-B
- Rehabilitative Services Section 13.d
- EPSDT Section 4b

BHAs will submit encounters using the [Service Encounter Reporting Instructions \(SERI\) Guide](#) that will be released in October 2023, for an expected implementation for services on or after January 1, 2024.

Beginning January 1, 2024, HCA will track utilization by using **H0035 for PHP** and **S9480 for IOP**. Both will require the HK modifier.

When billing for a fee-for-service client

IOP/PHP claims are billed on a professional claim using Part 2 of the [Mental Health Billing guide](#), and the specialized mental health fee-schedule.

The updated billing guides with IOP/PHP information will be released by January 1, 2024. HCA will track utilization by using **H0035 for PHP** and **S9480 for IOP**. Both will require the HK modifier.

For more information

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