

Occupational therapy services for behavioral health conditions

Purpose

This fact sheet is intended to provide guidance for behavioral health agencies (BHA) who want to add occupational therapy treatment services covered by Apple Health (Medicaid) beginning July 1, 2024.

Background

Occupational therapy services are allowable under Washington's Medicaid state plan. In the 2023 legislation, [SB 5228](#) was passed requiring the Health Care Authority (HCA) to expand coverage within Apple Health (Medicaid) to ensure that licensed behavioral health agencies are reimbursed by managed care organizations (MCO) for the medically necessary occupational therapy needs of their clients.

Occupational therapy uses assessment, analysis, and purposeful activity with individuals across their lifespan. Occupational therapists and occupational therapy assistants perform comprehensive, person-centered evaluations to determine needs and offer a wide range of supports. These include addressing barriers to optimal functioning using the recovery model to help the individual engage with daily activities that are meaningful.

Practitioners work on daily roles, habits, and routines and promote progress toward independent living. Examples include community and work reintegration training and promotion of functional participation in independent activities of daily living such as navigating public transit or going to a grocery store.

Changes effective July 1, 2024

As of July 1, 2024, guidance for occupational therapy services in a BHA will be added to the [Service Encounter Reporting Instructions \(SERI\)](#) guide and the mental health billing guide (part 2), with a link to the outpatient rehabilitation billing guide. Occupational therapy services, when medically necessary for behavioral health conditions, will be covered by Apple Health in managed care. Occupational therapy services continue to be covered as a medically necessary service in other settings.

Reimbursement requirements

- Services may be reimbursed by Apple Health when the billing provider is a BHA.
- For managed care, the expectation of the increased per member per month was incorporated into the physical health side of the rates as a program adjustment beginning July 1, 2024. For Calendar year 2025, the rates for services will be included on the behavioral health side after there is sufficient data to analyze services for adjustments to be made.
- Allowable provider types only include licensed occupational therapists and occupational therapy assistants. [Learn more at the Department of Health webpage.](#)

Billing and encounters

Managed care clients

- BHAs must contract with MCOs to be reimbursed for services provided to Apple Health enrollees.
- BHAs must follow the updated [Service Encounter Reporting Instructions \(SERI\) guide](#), expected to be updated by April 1, 2024.
 - This guide has a new section on occupational therapy services.
- BHAs must follow telehealth policies as outlined in SERI and HCA billing guides.

Fee-for-service (FFS) clients

- The mental health billing guide (part 2) will include a new section in alignment with the SERI guide by July 1, 2024.
- [See the outpatient rehabilitation billing guide](#) for FFS fee schedules.

Behavioral Health Services Only (BHSO) clients

- For BHSO clients, bill FFS for dates of service 07/01/2024 – 12/31/2024. For dates of service starting on or after 01/01/2025, services must be billed to the appropriate managed care plan for BHSO services.

Preparing for implementation on July 1, 2024

What do MCOs need to do to prepare?

- [Review the revised SERI guide](#) when released, anticipated April 1, 2024.
- Work with your BHA network to determine which BHAs are interested in augmenting their treatment services with occupational therapy services with DOH-credentialed occupational therapists and assistants.
- Managed care rates for the physical health per member per month (PMPM) will be adjusted to account for these services being available beginning July 1, 2024.
- [Email HCA managed care programs](#) with questions.

Tribal providers

Tribal providers who are not contracted with an MCO should follow the tribal health billing guide.

What should licensed BHAs need to do to prepare?

- Consider adding occupational therapy treatment to existing services. If interested, the BHA will need to further understand how these services may benefit their clients and consider either hiring occupational therapy staff or subcontracting with occupational therapy providers.
- Amend current contracts or develop new contracts as needed with the MCOs to cover occupational therapy services.
- Become set up as a fee-for-service provider with HCA.
 - [Email the fee-for-service questions inbox](#) at HCA for more information.