

**Policy terminated because coverage is provided under equivalent Medicaid  
Policy 8A: Enhanced Mental Health and Substance Abuse Services  
(Partial Hospitalization)**

**Table of Contents**

1.0	Description of the Procedure, Product, or Service.....	1
2.0	Eligible Recipients.....	1
2.1	General Provisions.....	1
3.0	When the Procedure, Product, or Service Is Covered.....	1
3.1	General Criteria.....	1
3.2	Specific Criteria.....	2
4.0	When the Procedure, Product, or Service Is Not Covered.....	2
4.1	General Criteria.....	2
4.2	Specific Criteria.....	2
5.0	Requirements for and Limitations on Coverage.....	3
5.1	Prior Approval.....	3
6.0	Providers Eligible to Bill for the Procedure, Product, or Service.....	3
7.0	Additional Requirements.....	3
7.1	Compliance.....	3
8.0	Policy Implementation/Revision Information.....	4
	Attachment A: Claims-Related Information.....	5
	A. Claim Type.....	5
	B. Diagnosis Codes.....	5
	C. Procedure Code(s).....	5
	D. Modifiers.....	5
	E. Billing Units.....	5
	F. Place of Service.....	5
	G. Co-payments.....	5
	H. Reimbursement.....	5

## **1.0 Description of the Procedure, Product, or Service**

Partial hospitalization is a non-residential day or evening treatment program that may be hospital-based or free-standing. The program provides clinical diagnostic and treatment services at a level of intensity equal to an inpatient program, but on a less than twenty-four hour basis. It is a multi-modal, inter-disciplinary cost-effective alternative to inpatient hospital treatment of certain psychiatric or chemical dependency conditions as determined by recipient's level of functioning. These services include therapeutic milieu, nursing, psychiatric evaluation and medication management, group and individual/family therapy, psychological testing, vocational counseling, rehabilitation recovery counseling, substance abuse evaluation and counseling, and behavioral plans. This level of treatment is highly structured with a staff-to-patient ratio sufficient to ensure necessary therapeutic services, professional monitoring of mental status, recipient behavior and safety, providing control and protection within the treatment environment.

Partial hospitalization may be appropriate when a recipient does not require the more restrictive and intensive environment of an inpatient setting, but needs up to eight hours of clinical services. Partial hospitalization is used as a time-limited service to stabilize acute symptoms and may therefore be used as a transitional level of care (i.e., step-down from inpatient) as well as a stand-alone level of care to stabilize a deteriorating condition and prevent hospitalization. Treatment must focus on the recipient's response during program hours, as well as the continuity and transfer of treatment gains during the recipient's non-program hours in the home or community. Family involvement from the beginning of treatment is expected unless contraindicated. Partial hospitalization is under the supervision of the attending physician (psychiatrist for psychiatric or chemical dependency or an addictionologist for chemical dependency only).

All partial hospital programs must provide at least five hours per day of clinical service five days per week.

## **2.0 Eligible Recipients**

### **2.1 General Provisions**

To be eligible, NCHC recipients must be enrolled on the date of service.

**Note:** Most children will be able to get all the services they need under the core (basic) plan of NC Health Choice. A child who qualifies as having special needs may be able to receive additional services not covered by the core plan.

## **3.0 When the Procedure, Product, or Service Is Covered**

### **3.1 General Criteria**

NCHC covers procedures, products, and services related to this policy when they are medically necessary and

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the recipient's needs;
- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available; **AND**
- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the recipient, the recipient's caretaker, or the provider.

### 3.2 Specific Criteria

- a. All benefits for partial hospitalization are subject to case management requirements.
- b. The care provided in a chemical dependency partial hospitalization program must be consistent with the most current edition of the American Society of Addiction Medicine Patient Placement Criteria for the Treatment of Substance-Related Disorders.
- c. All partial hospital programs must be licensed by the state in which services are provided and provide at least five hours per day of clinical service five days per week.
- d. Professional fees for services by the attending physician or co-admitting psychologist are covered during any approval period only when services are provided for separate days.

## 4.0 When the Procedure, Product, or Service Is Not Covered

### 4.1 General Criteria

Procedures, products, and services related to this policy are not covered when

- a. the recipient does not meet the eligibility requirements listed in **Section 2.0**;
- b. the recipient does not meet the medical necessity criteria listed in **Section 3.0**;
- c. the procedure, product, or service unnecessarily duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental or investigational.

### 4.2 Specific Criteria

Partial hospitalization is not covered for:

- a. Conditions not classified as a psychiatric, emotional, or substance abuse illness.
- b. Care provided in a psychiatric partial hospitalization program not accredited by a nationally recognized accreditation organization approved by DMA's vendor.

## **5.0 Requirements for and Limitations on Coverage**

### **5.1 Prior Approval**

- a. Approval by DMA's vendor is required prior to initiating treatment and for continued treatment stays AND for the following services if utilized during the partial hospitalization stay:
  1. Biofeedback
  2. Electroconvulsive therapy
  3. Hypnotherapy
  4. Psychological testing
- b. The DMA vendor will conduct a clinical review to determine medical necessity in response to the treating provider's request for partial hospitalization admission. Subsequent requests for authorization must be received prior to the expiration of any approved period to determine the medical necessity for continued stay.
- c. The rationale for admission must support medical necessity criteria for partial hospitalization.

## **6.0 Providers Eligible to Bill for the Procedure, Product, or Service**

To be eligible to bill for procedures, products, and services related to this policy, providers shall

- a. meet NCHC qualifications for participation;
- b. be currently enrolled with NCHC; **AND**
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

## **7.0 Additional Requirements**

### **7.1 Compliance**

Providers must comply with all applicable federal, state, and local laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements.

## 8.0 Policy Implementation/Revision Information

Original Effective Date: July 1, 2010

### Revision Information:

Date	Section Revised	Change
July 1, 2010	Throughout	Policy Conversion: Implementation of Session Law 2009-451, Section 10.32 "NC HEALTH CHOICE/PROCEDURES FOR CHANGING MEDICAL POLICY."
February 29, 2012	Throughout	Policy Termination

## Attachment A: Claims-Related Information

Reimbursement requires compliance with all NCHC guidelines.

### A. Claim Type

Institutional (UB-04/837I transaction)

All benefits for partial hospitalization are paid on a per diem basis and must be billed accordingly.

### B. Diagnosis Codes

Providers must bill the ICD-9-CM diagnosis codes(s) to the highest level of specificity that supports medical necessity.

### C. Procedure Code(s)

Codes
0912
0913
0907

HCPCS Code
H0035

### D. Modifiers

Providers are required to follow applicable modifier guidelines.

### E. Billing Units

The appropriate procedure code(s) used determines the billing unit(s).

### F. Place of Service

Hospital, Office; Freestanding Facility

### G. Co-payments

Co-payment(s) may apply to covered prescription drugs and services

### H. Reimbursement

Providers must bill their usual and customary charges.

Psychologists (or other behavioral health practitioners) may at times need to see a recipient who has been hospitalized under the care of an admitting psychiatrist. When it is necessary for the outpatient provider to see an inpatient to facilitate treatment or facilitate transition back to the outpatient setting, that provider may be reimbursed when prior authorization is obtained from the state-wide vendor.