Mental Health Services and Procedures

Policy Number: MCS058.01
Approval Date: July 21, 2020

Coverage Guidelines

Mental health services and procedures are covered when Medicare coverage criteria are met.

Inpatient

Inpatient mental health services are covered in an inpatient psychiatric facility (IPF) certified under Medicare as inpatient psychiatric facility hospitals and distinct psychiatric units of acute care hospitals and critical access hospitals (CAHs).

Services must be for "active treatment", which is defined by the following criteria:

- Services are provided under an individualized treatment. Each patient must have an individual comprehensive treatment plan that must be based on an inventory of the patient’s strengths and disabilities. The written plan must include:
  - A substantiated diagnosis;
  - Short-term and long-range goals;
  - The specific treatment modalities utilized;
  - The responsibilities of each member of the treatment team; and
  - Adequate documentation to justify the diagnosis and the treatment and rehabilitation activities carried out.

- Services are reasonably expected to improve the member’s condition or for the purpose of diagnosis

- Services must be supervised and evaluated by a physician.

Services are limited to a total of 190 days of psychiatric hospital services during the member’s lifetime.

Note: This limitation applies only to care, and services furnished in a psychiatric hospital. Psychiatric care provided in an acute care hospital does not count toward the 190-day lifetime limit unless the psychiatric care is provided in a psychiatric facility/hospital operating as a separate functioning entity (e.g., it is located in a separate building, wing, or part of a building and has its own administration and maintains separate fiscal records).

Related Medicare Advantage Policy Guideline

- Hemodialysis for Treatment of Schizophrenia (NCD 130.8)
Examples of inpatient coverage mental health services that are covered include, but are not limited to:

- Psychotherapy, drug therapy, electroconvulsive therapy (ECT) and other therapies such as occupational, recreational, or milieu therapy, provided the therapeutic activities are expected to result in improvement in the patient's condition.
- Administration of antidepressants or tranquilizers expected to provide significant relief of the member's psychotic or neurotic symptoms (this alone may not constitute active treatment).

Mental health inpatient services are not covered for:

- Recreational or diversional activities. If the only activities prescribed for the patient are primarily diversional in nature, (i.e., to provide some social or recreational outlet for the patient), it would not be regarded as treatment to improve the patient's condition.
- Inpatient psychiatric services where the member receives medical or surgical care but does not meet the criteria described above.

For more detailed inpatient psychiatric admission requirements, refer to the Medicare Benefits Policy Manual, Chapter 2 – Inpatient Psychiatric Hospital Service. (Accessed June 8, 2020)

Outpatient

Outpatient mental health services are covered when following criteria are met:

- Services for outpatient mental health must be incidental to a physician's service. The services or supplies are furnished as an integral, although incidental, part of the physician's personal professional services during diagnosis or treatment of an injury or illness.
- Services must be for the purpose of diagnostic study or reasonably be expected to improve the patient's condition. At a minimum, the treatment must be designed to reduce or control the patient's psychiatric symptoms to prevent relapse or hospitalization and improve or maintain the patient's level of functioning.
- Services must be prescribed by a physician and provided under an individualized written plan of treatment established by a physician.
- Services must be supervised and evaluated by a physician to determine the extent to which treatment goals are being realized.

Refer to the Medicare Benefits Policy Manual, Chapter 6, §70 – Outpatient Hospital Psychiatric Services. (Accessed June 8, 2020)

Examples of outpatient mental health services that are covered include but are not limited to:

- Individual and group therapy with physicians, psychologists or other mental health professionals authorized by the State; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
- Services of social workers trained psychiatric nurses and other trained staff to work with psychiatric patients; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
- Drugs and biologicals furnished for therapeutic purposes and only if they are of a type that cannot be self-administered; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
- Activity therapies but only those that are individualized and essential for the treatment of the patient's condition. The treatment plan must clearly justify the need for each therapy utilized and explain how it fits into the patient's treatment; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
- Counseling services with members of the family only when the primary purpose is the treatment of the member's psychiatric condition; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
- Occupational therapy, if required, must be related to the member's psychiatric condition and a component of the physician's treatment plan; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
- Patient education programs where the educational activities are closely related to the member's care and treatment of his/her diagnosed psychiatric condition; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)
Diagnostic services for the purpose of diagnosing those individuals for whom an extended or direct observation is necessary to determine functioning and interactions, to identify problem areas, and to formulate a treatment plan; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C – Application of Criteria. (Accessed June 8, 2020)

Hypnotherapy (CPT Code 90880)
Medicare does not have a National Coverage Determination (NCD) for hypnotherapy. Local Coverage Determinations (LCDs)/Local Coverage Articles (LCAs) exist for all states/territories and compliance with these policies is required where applicable. For specific LCDs/LCAs, refer to the table for Hypnotherapy.

Partial Hospitalization
Partial hospitalization is covered for member’s meeting one of the following criteria:

- The member discharged from an inpatient hospital treatment program, and the partial hospitalization program is in lieu of continued inpatient treatment.
- The member who, in the absence of partial hospitalization, would be at reasonable risk of requiring inpatient hospitalization

When partial hospitalization is used to shorten an inpatient stay and transition the member to a less intense level of care, there must be evidence of the need for the acute, intense, structured combination of services provided by a partial hospitalization program.

Partial hospitalization visits do not count against inpatient days. A partial hospitalization visit is considered as an outpatient visit when provided by a hospital outpatient department or a Medicare-certified Community Health Care Centers (CMHC).

Refer to the Medicare Benefits Policy Manual, Chapter 6, §70.3 – Partial Hospitalization Services. (Accessed June 8, 2020)

Medicare certification and compliance information regarding CMHC can be found at https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/CommunityHealthCenters.html. (Accessed June 8, 2020)

Vagus Nerve Stimulation (VNS) for Intractable Depression
Effective February 15, 2019, The Centers for Medicare and Medicaid Services (CMS) issued a decision memo stating it will finalize its proposal to cover FDA approved vagus nerve stimulation (VNS) devices for treatment resistant depression (TRD) through Coverage with Evidence Development (CED).

Refer to the National Coverage Determination (NCD) for Vagus Nerve Stimulation (VNS) (160.8). (Accessed June 8, 2020)


Also refer to the Coverage Summary titled Experimental Procedures and Items, Investigational Devices and Clinical Trials.

Non-Covered Outpatient Mental Health Services
The following outpatient mental health services are not covered

- Vocational training services solely related to specific employment opportunities, work skills or work settings; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C.2 – Non-covered Services. (Accessed June 8, 2020)
- Psychosocial programs (e.g., community support groups in nonmedical settings for chronically mentally ill persons for the purpose of social interaction); refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C.2 – Non-covered Services. (Accessed June 8, 2020)
- Activity therapies, group activities or other services/programs which are solely recreational or diversional activities; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C.2 – Non-covered Services. (Accessed June 8, 2020)
- Geriatric day care; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.1.C.2 – Non-covered Services. (Accessed June 8, 2020)
- Individual’s outpatient hospital program consists entirely of psychosocial activities; refer to the Medicare Benefits Policy Manual, Chapter 6, §70.3 – Partial Hospitalization Service. (Accessed June 8, 2020)
Non-Covered Mental Health Diagnosis

Examples of services and procedures that are not covered for a mental health diagnosis include, but are not limited to:

- Hemodialysis for schizophrenia; refer to the NCD for Hemodialysis for Treatment of Schizophrenia (130.8). (Accessed June 8, 2020)
- Multiple seizure electroconvulsive therapy; refer to the NCD for Multiple Electroconvulsive Therapy (160.25). (Accessed June 8, 2020)

Note: For the following preventive services, refer to the Coverage Summary titled Preventive Health Services and Procedures.

- Intensive behavioral therapy for obesity
- Alcohol screening and behavioral counseling interventions in primary care to reduce alcohol misuse
- Intensive behavioral therapy for cardiovascular disease
- Screening for sexually transmitted infections (STIs) and high-intensity behavioral counseling (HIBC) to prevent STIs
- Screening for depression in adults

Definitions

**Inpatient Psychiatric Facility Services:** Inpatient hospital services furnished to a patient of an inpatient psychiatric facility. Medicare Benefits Policy Manual, Chapter 2 – Inpatient Psychiatric Hospital Service (Accessed June 7, 2021)

**Outpatient Hospital Psychiatric Services:** Refers to a wide range of services and programs that a hospital may provide to its outpatients who need psychiatric care, ranging from a few individual services to comprehensive, full-day programs; from intensive treatment programs to those that provide primarily supportive. Medicare Benefits Policy Manual, Chapter 6, §70 – Outpatient Hospital Psychiatric Services, 70.1 – Coverage Criteria. (Accessed June 7, 2021)

**Partial Hospitalization:** Partial hospitalization is active treatment pursuant to an individualized treatment plan, prescribed and signed by a physician, which identifies treatment goals, describes a coordination of services, is structured to meet the particular needs of the patient, and includes a multidisciplinary team approach to patient care under the direction of a physician. Medicare Benefits Policy Manual, Chapter 6, §70.3 (A) – Partial Hospitalization Services – Program Criteria. (Accessed June 7, 2021)

Supporting Information

**Important Note:** When searching the Medicare Coverage Database, if no LCD/LCA is found, then use the applicable referenced default policy below for coverage guidelines.

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<th>Hypnotherapy</th>
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Note: States notated with an asterisk should follow the other available state-specific LCD/LCA listed in this table. This WPS LCD/LCA only applies to states without an asterisk.

Policy History/Revision Information

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<th>Summary of Changes</th>
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<tr>
<td>05/01/2021</td>
<td>Template Update&lt;br&gt;Reformatted policy; transferred content to new template</td>
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<td>07/21/2020</td>
<td>Hypnotherapy (CPT code 90880)&lt;br&gt;Added language to clarify Local Coverage Determinations (LCDs)/Local Coverage Article (LCAs) exist for all states/territories and compliance with these policies is required where applicable&lt;br&gt;Intensive Behavioral Therapy for the Treatment of Autism (CPT codes 97154 - 97156)&lt;br&gt;Removed coverage guidelines (no CMS reference available)&lt;br&gt;Supporting Information&lt;br&gt;Updated LCD/LCA Availability Grids to reflect the most current reference links&lt;br&gt;Removed LCD/LCA Availability Grid for Intensive Behavioral Therapy for the Treatment of Autism (CPT codes 97154 - 97156)</td>
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resource and is not intended to address every aspect of a clinical situation. Physicians and patients should not rely on this information in making health care decisions. Physicians and patients must exercise their independent clinical discretion and judgment in determining care. Each benefit plan contains its own specific provisions for coverage, limitations, and exclusions as stated in the Member’s Evidence of Coverage (EOC)/Summary of Benefits (SB). If there is a discrepancy between this policy and the member’s EOC/SB, the member’s EOC/SB provision will govern. The information contained in this document is believed to be current as of the date noted.

The benefit information in this Coverage Summary is based on existing national coverage policy; however, Local Coverage Determinations (LCDs) may exist and compliance with these policies are required where applicable.

There are instances where this document may direct readers to a UnitedHealthcare Commercial Medical Policy, Medical Benefit Drug Policy, and/or Coverage Determination Guideline (CDG). In the absence of a Medicare National Coverage Determination (NCD), Local Coverage Determination (LCD), or other Medicare coverage guidance, CMS allows a Medicare Advantage Organization (MAO) to create its own coverage determinations, using objective evidence-based rationale relying on authoritative evidence (Medicare IOM Pub. No. 100-16, Ch. 4, §90.5).

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