

Mental Health Services and Procedures

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[Instructions for Use](#)

Table of Contents	Page
Coverage Guidelines	1
Inpatient	1
Outpatient	2
Partial Hospitalization	2
Examples of Covered Outpatient Mental Health Services	3
Examples of Non-Covered Outpatient Mental Health Services	3
Vagus Nerve Stimulation (VNS) for Intractable Depression	3
Hemodialysis for Schizophrenia	3
Multiple Seizure Electroconvulsive Therapy	4
Supporting Information	4
Policy History/Revision Information	5
Instructions for Use	6

Related Medicare Advantage Policy Guideline

- [Hemodialysis for Treatment of Schizophrenia \(NCD 130.8\)](#)

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).

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 only prescribed for the patient that 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 July 7, 2021)

Outpatient

Outpatient hospital psychiatric service 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.

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

- 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. In general, to be covered, the services must be incident to a physician's service and reasonable and necessary for the diagnosis or treatment of the patient's condition. This means the services must be for the purpose of diagnostic study or the services must reasonably be expected to improve the patient's condition.
- 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 periodically 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 July 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.

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 July 7, 2021)

Medicare certification and compliance information regarding CMHC can be found at <https://www.cms.gov/Medicare/Provider-Enrollment-and-Certification/CertificationandCompliance/CommunityHealthCenters.html>. (Accessed July 7, 2021)

Examples of Covered Outpatient Mental Health Services

- Individual and group therapy with physicians, psychologists or other mental health professionals authorized by the State
- Services of social workers trained psychiatric nurses and other trained staff to work with psychiatric patients
Note: Home health psychiatric nurse visits are only be covered if part of a treatment plan established by and reviewed by a physician; refer to the [Medicare Benefit Policy Manual, Chapter 7, §40.1.2.15 – Psychiatric Evaluation, Therapy, and Teaching](#). (Accessed July 7, 2021)
- Drugs and biologicals furnished for therapeutic purposes and only if they are of a type that cannot be self-administered
- 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
- Counseling services with members of the family only when the primary purpose is the treatment of the member's psychiatric condition
- Occupational therapy, if required, must be related to the member's psychiatric condition and a component of the physician's treatment plan
- Patient education programs where the educational activities are closely related to the member's care and treatment of his/her diagnosed psychiatric condition
- 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 – Outpatient Hospital Psychiatric Services](#). (Accessed July 7, 2021)

Examples of Non-Covered Outpatient Mental Health Services

- Meals and transportation
- Vocational training services solely related to specific employment opportunities, work skills or work settings
- Psychosocial programs (e.g., community support groups in nonmedical settings for chronically mentally ill persons for the purpose of social interaction)
- Activity therapies, group activities or other services/programs which are solely recreational or diversional activities
- Geriatric day care
- Partial hospitalization for the members who are otherwise psychiatrically stable or require medication management only

Refer to the [Medicare Benefits Policy Manual, Chapter 6, §70 – Outpatient Hospital Psychiatric Services](#). (Accessed July 7, 2021)

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 July 7, 2021)

Approved CED studies are posted on the CMS Coverage with Evidence Development webpage at <http://www.cms.gov/Medicare/Coverage/Coverage-with-Evidence-Development/index.html>. (Accessed July 7, 2021)

Also refer to the Coverage Summary titled [Experimental Procedures and Items, Investigational Devices and Clinical Trials](#)

Hemodialysis for Schizophrenia

For coverage guideline, refer to the [NCD for Hemodialysis for Treatment of Schizophrenia \(130.8\)](#). (Accessed July 7, 2021)

Multiple Seizure Electroconvulsive Therapy

For coverage guideline, refer to the [NCD for Multiple Electroconvulsive Therapy \(160.25\)](#). (Accessed July 7, 2021)

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](#).

Lightbox for the Treatment of Seasonal Affective Disorder (SAD) (HCPCS Code E0203)

HCPCS code E0203 is listed as non-covered by Medicare. Other devices and equipment used for environmental control or to enhance the environmental setting in which the beneficiary is placed are not considered covered DME.

Refer to the [Medicare Benefit Policy Manual, Chapter 15, §110.1 \(B\) \(2\) – Equipment Presumptively Nonmedical](#).

(Accessed July 7, 2021)

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

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.

Hypnotherapy Accessed July 7, 2021				
LCD/LCA ID	LCD/LCA Title	Contractor Type	Contractor Name	Applicable States/Territories
L34353 (A57065)	Outpatient Psychiatry and Psychology Services	Part A and B MAC	CGS Administrators, LLC	KY, OH
L34539 (A57054)	Psychological Services Coverage under the Incident to Provision for Physicians and Non-physicians	Part A and B MAC	CGS Administrators, LLC	KY, OH
L33632 (A56937)	Psychiatry and Psychology Services	Part A and B MAC	National Government Services, Inc.	CT, IL, MA, ME, MN, NH, NY, RI, VT
L35101 (A57130)	Psychiatric Codes	Part A and B MAC	Novitas Solutions, Inc.	AR, CO, DC, DE, LA, MD, MS, NJ, NM, OK, PA, TX
L34616 (A57480)	Psychiatry and Psychology Services	Part A MAC	Wisconsin Physicians Service Insurance Corporation	AK, AL, AR*, AZ, CA, CO*, CT*, DE*, FL, GA, HI, IA, ID, IL*, IN, KS, KY*, LA*, MA*, MD*, ME*, MI, MO, MS*, MT, NC, ND, NE, NH*, NJ*, NM*, NV, OH*, OK*, OR, PA*, RI*, SC, SD, TN, TX*, UT, VA, VT*, WA, WI, WV, WY Note: States notated with an asterisk should follow the other available state-specific

Hypnotherapy

Accessed July 7, 2021

LCD/LCA ID	LCD/LCA Title	Contractor Type	Contractor Name	Applicable States/Territories
				LCD/LCA listed in this table. This WPS LCD/LCA only applies to states without asterisk.
L34616 (A57480)	Psychiatry and Psychology Services	Part B MAC	Wisconsin Physicians Service Insurance Corporation	IN, IA, KS, MI, MO, NE

[Back to Guidelines](#)

Policy History/Revision Information

Date	Summary of Changes
07/20/2021	<p>Coverage Guidelines</p> <ul style="list-style-type: none"> Reorganized content <p>Outpatient</p> <ul style="list-style-type: none"> Added language (relocated from the <i>Definitions</i> section) to indicate: <ul style="list-style-type: none"> Outpatient hospital psychiatric service 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 Revised coverage criteria for outpatient mental health services: <ul style="list-style-type: none"> Added criterion requiring: <ul style="list-style-type: none"> The services must be incident to a physician's service and reasonable and necessary for the diagnosis or treatment of the patient's condition The services must be for the purpose of diagnostic study or the services must reasonably be expected to improve the patient's condition Replaced criterion requiring "the services must be supervised and evaluated by a physician to determine the extent to which treatment goals are being realized" with "the services must be supervised and <i>periodically</i> evaluated by a physician to determine the extent to which treatment goals are being realized" <p>Partial Hospitalization</p> <ul style="list-style-type: none"> Added language (relocated from the <i>Definitions</i> section) to indicate 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 <p>Examples of Covered Outpatient Mental Health Services</p> <ul style="list-style-type: none"> Removed/relocated language pertaining to Hypnotherapy [refer to the <i>Hypnotherapy (CPT code 90880)</i> section] <p>Examples of Non-Covered Outpatient Mental Health Services</p> <ul style="list-style-type: none"> Removed/relocated language pertaining to lightbox for the treatment of seasonal affective disorder [refer to the <i>Lightbox for the Treatment of Seasonal Affective Disorder (SAD) (HCPCS Code E0203)</i> section] <p>Hemodialysis for Schizophrenia</p> <ul style="list-style-type: none"> Added instruction to refer to the National Coverage Determination (NCD) for Hemodialysis for Treatment of Schizophrenia (130.8) for applicable coverage guidelines (relocated from the <i>Non-Covered Mental Health Diagnosis</i> section) Multiple Seizure Electroconvulsive Therapy Added instruction to refer to the refer to the NCD for Multiple Electroconvulsive Therapy (160.25) for applicable coverage guidelines (relocated from the <i>Non-Covered Mental Health Diagnosis</i> section)

Date	Summary of Changes
	<p><i>Hypnotherapy (CPT Code 90880)</i></p> <ul style="list-style-type: none"> • Added language (relocated from the <i>Examples of Covered Outpatient Mental Health Services</i> section) to indicate: <ul style="list-style-type: none"> ○ Medicare does not have a NCD for <i>hypnotherapy</i> ○ 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 <i>Supporting Information</i> section for <i>Hypnotherapy</i> <p><i>Lightbox for the Treatment of Seasonal Affective Disorder (SAD) (HCPCS Code E0203)</i></p> <ul style="list-style-type: none"> • Added language (relocated from the <i>Examples of Non-Covered Outpatient Mental Health Services</i> section) to indicate: <ul style="list-style-type: none"> ○ HCPCS code E0203 is listed as non-covered by Medicare ○ Other devices and equipment used for environmental control or to enhance the environmental setting in which the beneficiary is placed are not considered covered Durable Medical Equipment (DME) ○ Refer to the <i>Medicare Benefit Policy Manual, Chapter 15, §110.1 (B) (2) – Equipment Presumptively Nonmedical</i> <p><i>Definitions (removed)</i></p> <ul style="list-style-type: none"> • Removed <i>Definitions</i> section (applicable terminology provided/defined in the <i>Coverage Rationale</i> section) <p><i>Supporting Information</i></p> <ul style="list-style-type: none"> • Archived previous policy version MCS058.01

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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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