

Chemical Dependency/Substance Abuse Rehabilitation

Policy Number: BIP141.K
 Effective Date: July 1, 2021

[Instructions for Use](#)

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<p>Related Benefit Interpretation Policy</p> <ul style="list-style-type: none"> Chemical Dependency/Substance Abuse Detoxification
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Federal/State Mandated Regulations

Note: The most current federal/state mandated regulations for each state can be found in the links below.

Oregon

743A.168

https://www.oregonlegislature.gov/bills_laws/lawsstatutes/2019orLaw0284.pdf

Treatment of chemical dependency, including alcoholism, and mental or nervous conditions qualified providers rules

(1) As used in this section:

- (a) "Behavioral health assessment" means an evaluation by a provider, in person or using telemedicine, to determine a patient's need for behavioral health treatment.
- (b) "Behavioral health crisis" means a disruption in an individual's mental or emotional stability or functioning resulting in an urgent need for immediate outpatient treatment in an emergency department or admission to a hospital to prevent a serious deterioration in the individual's mental or physical health.
- (c) "Chemical dependency" means the addictive relationship with any drug or alcohol characterized by a physical or psychological relationship, or both, that interferes on a recurring basis with the individual's social, psychological or physical adjustment to common problems. For purposes of this section, "chemical dependency" does not include addiction to, or dependency on, tobacco, tobacco products or foods.
- (d) "Facility" means a corporate or governmental entity or other provider of services for the treatment of chemical dependency or for the treatment of mental or nervous conditions.
- (e) "Group health insurer" means an insurer, a health maintenance organization or a health care service contractor.
- (f) "Prior authorization" has the meaning given that term in ORS 743B.001.
- (g) "Program" means a particular type or level of service that is organizationally distinct within a facility.
- (h) "Provider" means:
 - (A) An individual who has met the credentialing requirement of a group health insurer, is otherwise eligible to receive reimbursement for coverage under the policy and is a behavioral health professional or a medical professional licensed or certified in this state;
 - (B) A health care facility as defined in ORS [433.060 \(Definitions for ORS 433.060 to 433.080\)](#);
 - (C) A residential facility as defined in ORS [430.010 \(Definitions\)](#);
 - (D) A day or partial hospitalization program;
 - (E) An outpatient service as defined in ORS [430.010 \(Definitions\)](#); or
 - (F) A provider organization certified by the Oregon Health Authority under subsection (7) of this section.
- (i) "Utilization review" has the meaning given that term in ORS 743B.001.

- (2) A group health insurance policy providing coverage for hospital or medical expenses, other than limited benefit coverage, shall provide coverage for expenses arising from the diagnosis of and treatment for chemical dependency, including alcoholism, and for mental or nervous conditions at the same level as, and subject to limitations no more restrictive than, those imposed on coverage or reimbursement of expenses arising from treatment for other medical conditions. The following apply to coverage for chemical dependency and for mental or nervous conditions:
- (a) The coverage may be made subject to provisions of the policy that apply to other benefits under the policy, including but not limited to provisions relating to deductibles and coinsurance. Deductibles and coinsurance for treatment in health care facilities or residential facilities may not be greater than those under the policy for expenses of hospitalization in the treatment of other medical conditions. Deductibles and coinsurance for outpatient treatment may not be greater than those under the policy for expenses of outpatient treatment of other medical conditions.
 - (b) The coverage may not be made subject to treatment limitations, limits on total payments for treatment, limits on duration of treatment or financial requirements unless similar limitations or requirements are imposed on coverage of other medical conditions. The coverage of eligible expenses may be limited to treatment that is medically necessary as determined under the policy for other medical conditions.
 - (c) The coverage must include:
 - (A) A behavioral health assessment;
 - (B) No less than the level of services determined to be medically necessary in a behavioral health assessment of a patient or in a patient's care plan:
 - i. To treat the patient's behavioral health condition; and
 - ii. For care following a behavioral health crisis, to transition the patient to a lower level of care; and
 - (C) Coordinated care and case management as defined by the Department of Consumer and Business Services by rule.
 - (d) A provider is eligible for reimbursement under this section if:
 - (A) The provider is approved or certified by the Oregon Health Authority;
 - (B) The provider is accredited for the particular level of care for which reimbursement is being requested by the Joint Commission or the Commission on Accreditation of Rehabilitation Facilities;
 - (C) The patient is staying overnight at the facility and is involved in a structured program at least eight hours per day, five days per week; or
 - (D) The provider is providing a covered benefit under the policy.
 - (e) If specified in the policy, outpatient coverage may include follow-up in-home service or outpatient services. The policy may limit coverage for in-home service to persons who are homebound under the care of a physician.
 - (f)
 - (A) Subject to the patient or client confidentiality provisions of [ORS 40.235 \(Rule 504-1. Physician-patient privilege\) relating to physicians](#), [ORS 40.240 \(Rule 504-2. Nurse-patient privilege\) relating to nurse practitioners](#), [ORS 40.230 \(Rule 504. Psychotherapist-patient privilege\) relating to psychologists](#), [ORS 40.250 \(Rule 504-4. Regulated social worker-client privilege\) and 675.580 \(Confidentiality of communication by client\) relating to licensed clinical social workers](#) and [ORS 40.262 \(Rule 507. Counselor-client privilege\) relating to licensed professional counselors and licensed marriage and family therapists](#), a group health insurer may provide for review for level of treatment of admissions and continued stays for treatment in health facilities, residential facilities, day or partial hospitalization programs and outpatient services by either group health insurer staff or personnel under contract to the group health insurer, or by a utilization review contractor, who shall have the authority to certify for or deny level of payment.
 - (B) Review shall be made according to criteria made available to providers in advance upon request.
 - (C) Review shall be performed by or under the direction of a physician licensed under [ORS 677.100 \(Qualifications of applicant for license\) to 677.228 \(Automatic lapse of license for failure to pay registration fee or report change of location\)](#), a psychologist licensed by the Oregon Board of Psychology, a clinical social worker licensed by the State Board of Licensed Social Workers or a professional counselor or marriage and family therapist licensed by the Oregon Board of Licensed Professional Counselors and Therapists, in accordance with standards of the National Committee for Quality Assurance or Medicare review standards of the Centers for Medicare and Medicaid Services.
 - (D) Review may involve prior approval, concurrent review of the continuation of treatment, post-treatment review or any combination of these. However, if prior approval is required, provision shall be made to allow for payment of urgent or emergency admissions, subject to subsequent review. If prior approval is not required, group health insurers shall permit providers, policyholders or persons acting on their behalf to make advance inquiries regarding the appropriateness of a particular admission to a treatment program. Group health insurers shall provide a timely

response to such inquiries. Noncontracting providers must cooperate with these procedures to the same extent as contracting providers to be eligible for reimbursement.

- (g) Health maintenance organizations may limit the receipt of covered services by enrollees to services provided by or upon referral by providers contracting with the health maintenance organization. Health maintenance organizations and health care service contractors may create substantive plan benefit and reimbursement differentials at the same level as, and subject to limitations no more restrictive than, those imposed on coverage or reimbursement of expenses arising out of other medical conditions and apply them to contracting and noncontracting providers.
- (3) This section does not prohibit a group health insurer from managing the provision of benefits through common methods, including but not limited to selectively contracted panels, health plan benefit differential designs, preadmission screening, prior authorization of services, utilization review or other mechanisms designed to limit eligible expenses to those described in subsection (2)(b) of this section.
- (4) The Legislative Assembly finds that health care cost containment is necessary and intends to encourage health insurance plans designed to achieve cost containment by ensuring that reimbursement is limited to appropriate utilization under criteria incorporated into the insurance, either directly or by reference.
- (5) This section does not prevent a group health insurer from contracting with providers of health care services to furnish services to policyholders or certificate holders according to ORS [743B.460 \(Conditions for restricting payments to only in-network providers\)](#) or [750.005 \(Definitions\)](#), subject to the following conditions:
- (a) A group health insurer is not required to contract with all providers that are eligible for reimbursement under this section.
- (b) An insurer or health care service contractor shall, subject to subsection (2) of this section, pay benefits toward the covered charges of noncontracting providers of services for the treatment of chemical dependency or mental or nervous conditions. The insured shall, subject to subsection (2) of this section, have the right to use the services of a noncontracting provider of services for the treatment of chemical dependency or mental or nervous conditions, whether or not the services for chemical dependency or mental or nervous conditions are provided by contracting or noncontracting providers.
- (6) (a) This section does not require coverage for:
- (A) Educational or correctional services or sheltered living provided by a school or halfway house;
- (B) A long-term residential mental health program that lasts longer than 45 days;
- (C) Psychoanalysis or psychotherapy received as part of an educational or training program, regardless of diagnosis or symptoms that may be present;
- (D) A court-ordered sex offender treatment program; or
- (E) Support groups.
- (b) Notwithstanding paragraph (a)(A) of this subsection, an insured may receive covered outpatient services under the terms of the insured's policy while the insured is living temporarily in a sheltered living situation.
- (7) The Oregon Health Authority shall establish a process for the certification of an organization described in subsection (1)(g)(F) of this section that:
- (a) Is not otherwise subject to licensing or certification by the authority; and
- (b) Does not contract with the authority, a subcontractor of the authority or a community mental health program.
- (8) The Oregon Health Authority shall adopt by rule standards for the certification provided under subsection (7) of this section to ensure that a certified provider organization offers a distinct and specialized program for the treatment of mental or nervous conditions.
- (9) The Oregon Health Authority may adopt by rule an application fee or a certification fee, or both, to be imposed on any provider organization that applies for certification under subsection (7) of this section. Any fees collected shall be paid into the Oregon Health Authority Fund established in ORS [413.101 \(Oregon Health Authority Fund\)](#) and shall be used only for carrying out the provisions of subsection (7) of this section.
- (10) The intent of the Legislative Assembly in adopting this section is to reserve benefits for different types of care to encourage cost effective care and to ensure continuing access to levels of care most appropriate for the insured's condition and progress. This section does not prohibit an insurer from requiring a provider organization certified by the Oregon Health Authority under subsection (7) of this section to meet the insurer's credentialing requirements as a condition of entering into a contract.
- (11) The Director of the Department of Consumer and Business Services and the Oregon Health Authority, after notice and hearing, may adopt reasonable rules not inconsistent with this section that are considered necessary for the proper administration of this section. [Formerly [743.556](#); 2009 c.442 §47; 2009 c.549 §11; 2013 c.375 §1; 2013 c.581 §1; 2013 c.681 §62; 2016 c.11 §7; 2017 c.6 §29; 2017 c.17 §57; 2017 c.273 §5; 2017 c.409 §35; 2019 c.284 §6; 2019 c.285 §5]

Note: Section 7, chapter 411, Oregon Laws 1987, provides:

Sec. 7. Application of ORS [743A.001 \(Automatic repeal of certain statutes on individual and group health insurance\)](#) to ORS [743A.168 \(Treatment of chemical dependency, including alcoholism, and mental or nervous conditions\)](#) and [750.055 \(Other provisions applicable to health care service contractors\)](#). ORS [743.145](#) [renumbered [743A.001 \(Automatic repeal of certain statutes on individual and group health insurance\)](#)] does not apply to section 2 of this Act [[743A.168 \(Treatment of chemical dependency, including alcoholism, and mental or nervous conditions\)](#)] because section 2 of this Act constitutes a reenactment of ORS [743.557](#) and [743.558](#) [section 2, chapter 698, Oregon Laws 1977, and section 2, chapter 613, Oregon Laws 1973, both repealed in 1987] or to ORS [750.055 \(Other provisions applicable to health care service contractors\)](#) because of its amendment by this Act. [1987 c.411 §7]

OAR 836-053-1404

<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=204610>

Definitions; Non-contracting Providers; Co-morbidity Disorders

- (1) As used in ORS 743A.168, this rule and OAR Chapter 836:
 - (a) "Mental or nervous conditions" means any mental disorder covered by diagnostic categories listed in the "Diagnostic and Statistical Manual of Mental Disorders, DSM-IV-TR, Fourth Edition" (DSM-IV) or the "Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition" (DSM-5)
 - (b) "Chemical dependency" means an addictive relationship with any drug or alcohol characterized by a physical or psychological relationship, or both, that interferes on a recurring basis with an individual's social, psychological or physical adjustment to common problems.
 - (c) "Chemical dependency" does not mean an addiction to, or dependency on:
 - (A) Tobacco;
 - (B) Tobacco products; or
 - (C) Foods
- (2) A non-contracting provider must cooperate with a group health insurer's requirements for review of treatment in ORS 743A.168 (10) and (11) to the same extent as a contracting provider in order to be eligible for reimbursement.
- (3) The exception of a disorder in the definition of "mental or nervous conditions" or "chemical dependency" in section (1) of this rule does not include or extend to a co-morbidity disorder accompanying the excepted disorder.

OAR 836-053-1405

<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=204617>

General Requirements for Coverage of Mental or Nervous Conditions and Chemical Dependency (SB 1 - Effective January 1, 2007)

- (1) A group health insurance policy issued or renewed in this state shall provide coverage or reimbursement for medically necessary treatment of mental or nervous conditions and chemical dependency, including alcoholism, at the same level as, and subject to limitations no more restrictive than those imposed on coverage or reimbursement for medically necessary treatment for other medical conditions.
- (2) For the purposes of ORS 743A.168, the following standards apply in determining whether coverage for expenses arising from treatment for chemical dependency, including alcoholism, and for mental or nervous conditions is provided at the same level as, and subject to limitations no more restrictive than, those imposed on coverage or reimbursement of expenses arising from treatment for other medical conditions:
 - (a) The co-payment, coinsurance, reimbursement, or other cost sharing, including, but not limited to, deductibles for mental or nervous conditions and chemical dependency, including alcoholism, may be no more than the co-payment or coinsurance, or other cost sharing, including, but not limited to, deductibles for medical and surgical services otherwise provided under the health insurance policy.
 - (b) The co-payment, coinsurance, reimbursement, or other cost sharing, including, but not limited to, deductibles for wellness and preventive services for mental or nervous conditions and chemical dependency, including alcoholism, may be no more than the co-payment or coinsurance, or other cost sharing, including, but not limited to, deductibles for wellness and preventive services otherwise provided under the health insurance policy.
 - (c) If annual or lifetime limits apply for treatment of mental or nervous conditions and chemical dependency, including alcoholism the limits must comply with the "predominately equal" to and "substantially all" tests the federal Paul Wellstone and Pete Domenici Mental Health Parity and Addiction Equity Act, 29 U.S.C. 1185a and implementing regulations at 45 CFR 146.136 and 147.160.

- (d) The co-payment, coinsurance, reimbursement, or other cost sharing, including, but not limited to, deductibles expenses for prescription drugs intended to treat mental or nervous conditions and chemical dependency, including alcoholism, may be no more than the co-payment or coinsurance, or other cost sharing expenses for prescription drugs prescribed for other medical services provided under the health insurance policy.
 - (e) Classification of prescription drugs into open, closed, or tiered drug benefit formularies, for drugs intended to treat mental or nervous conditions and chemical dependency, including alcoholism, must be by the same process as drug selection for formulary status applied for drugs intended to treat other medical conditions, regardless of whether such drugs are intended to treat mental or nervous conditions, chemical dependency, including alcoholism, or other medical conditions.
- (3) A group health insurance policy issued or renewed in this state must contain a single definition of medical necessity that applies uniformly to all medical, mental or nervous conditions, and chemical dependency, including alcoholism.
 - (4) A group health insurer that issues or renews a group health insurance policy in this state shall have policies and procedures in place to ensure uniform application of the policy's definition of medical necessity to all medical, mental or nervous conditions, and chemical dependency, including alcoholism.
 - (5) Coverage for expenses arising from treatment for mental or nervous conditions and chemical dependency, including alcoholism, may be managed through common methods designed to limit eligible expenses to treatment that is medically necessary only if similar limitations or requirements are imposed on coverage for expenses arising from other medical condition. Common methods include, but are not limited to, selectively contracted panels, health policy benefit differential designs, preadmission screening, prior authorization of services, case management, utilization review, or other mechanisms designed to limit eligible expenses to treatment that is medically necessary.
 - (6) Nothing in this rule prevents a group health insurance policy from providing coverage for conditions or disorders excepted under the definition of "mental or nervous condition" in OAR 836-053-1404.
 - (7) The Director shall review OAR 836-053-1404 to 836-053-1408 and any other materials every two years to determine whether the requirements set forth in the rules are uniformly applied to all medical, mental or nervous conditions, and chemical dependency, including alcoholism.

Texas

Texas Insurance Code Chapter 1368

<https://statutes.capitol.texas.gov/Docs/IN/htm/IN.1368.htm>

Availability of Chemical Dependency Coverage Section 1368.001. Definitions

- (1) "Chemical dependency" means the abuse of, a psychological or physical dependence on, or an addiction to alcohol or a controlled substance.
- (2) "Chemical dependency treatment center" means a facility that provides a program for the treatment of chemical dependency under a written treatment plan approved and monitored by a physician and that is:
 - (A) Affiliated with a hospital under a contractual agreement with an established system for patient referral;
 - (B) Accredited as a chemical dependency treatment center by the Joint Commission on Accreditation of Healthcare Organizations;
 - (C) Licensed as a chemical dependency treatment program by the Texas Commission on Alcohol and Drug Abuse; or
 - (D) Licensed, certified, or approved as a chemical dependency treatment program or center by another state agency.
- (3) "Controlled substance" means an abusable volatile chemical, as defined by Section [485.001](#), Health and Safety Code, or a substance designated as a controlled substance under Chapter [481](#), Health and Safety Code.

Sec. 1368.002 Applicability of Chapter

This chapter applies only to a group health benefit plan that provides hospital and medical coverage or services on an expense incurred, service, or prepaid basis, including a group insurance policy or contract or self-funded or self-insured plan or arrangement that is offered in this state by:

- (1) An insurer;
- (2) A group hospital service corporation operating under Chapter 842;
- (3) A health maintenance organization operating under Chapter 843; or
- (4) An employer, trustee, or other self-funded or self-insured plan or arrangement.

Sec. 1368.003 Exception

This chapter does not apply to:

- (1) An employer, trustee, or other self-funded or self-insured plan or arrangement with 250 or fewer employees or members;
- (2) An individual insurance policy;
- (3) An individual evidence of coverage issued by a health maintenance organization;
- (4) A health insurance policy that provides only:
 - (A) Cash indemnity for hospital or other confinement benefits;
 - (B) Supplemental or limited benefit coverage;
 - (C) Coverage for specified diseases or accidents;
 - (D) Disability income coverage; or
 - (E) Any combination of those benefits or coverages;
- (5) A blanket insurance policy;
- (6) A short-term travel insurance policy;
- (7) An accident-only insurance policy;
- (8) A limited or specified disease insurance policy;
- (9) An individual conversion insurance policy or contract;
- (10) A policy or contract designed for issuance to a person eligible for Medicare coverage or other similar coverage under a state or federal government plan; or
- (11) An evidence of coverage provided by a health maintenance organization if the plan holder is the subject of a collective bargaining agreement that was in effect on January 1, 1982, and that has not expired since that date.

Sec. 1368.004 Coverage Required

- (a) A group health benefit plan shall provide coverage for the necessary care and treatment of chemical dependency.
- (b) Coverage required under this section may be provided:
 - (1) Directly by the group health benefit plan issuer; or
 - (2) By another entity, including a single service health maintenance organization, under contract with the group health benefit plan issuer.

Sec. 1368.005 Minimum Coverage Requirements

- (a) Except as provided by Subsection (b), coverage required under this chapter:
 - (1) May not be less favorable than coverage provided for physical illness generally under the plan; and
 - (2) Shall be subject to the same durational limits, dollar limits, deductibles, and coinsurance factors that apply to coverage provided for physical illness generally under the plan.
- (b) A group health benefit plan may set dollar or durational limits for coverage required under this chapter that are less favorable than for coverage provided for physical illness generally under the plan if those limits are sufficient to provide appropriate care and treatment under the guidelines and standards adopted under Section [1368.007](#). If guidelines and standards adopted under Section [1368.007](#) are not in effect, the dollar and durational limits may not be less favorable than for physical illness generally.
- (c) This section does not require payment of a usual, customary, and reasonable rate for treatment of a covered individual if a health maintenance organization or preferred provider organization establishes a negotiated rate for the locality in which the covered individual customarily receives care.

Sec. 1368.006 Limitation on Coverage

- (a) In this section, "treatment series" means a planned, structured, and organized program to promote chemical-free status that:
 - (1) May include different facilities or modalities; and
 - (2) Is completed when the covered individual:
 - (A) Is, on medical advice, discharged from:
 - i. Inpatient detoxification;
 - ii. Inpatient rehabilitation or treatment;
 - iii. Partial hospitalization or intensive outpatient treatment; or
 - iv. A series of those levels of treatments without a lapse in treatment; or
 - (B) Fails to materially comply with the treatment program for a period of 30 days.

- (b) Notwithstanding Section [1368.005](#), coverage required under this chapter is limited to a lifetime maximum of three separate treatment series for each covered individual.

Sec. 1368.007 Treatment Standards

- (a) Coverage provided under this chapter for necessary care and treatment in a chemical dependency treatment center must be provided as if the care and treatment were provided in a hospital.
- (b) The department by rule shall adopt standards formulated and approved by the department and the Texas Commission on Alcohol and Drug Abuse for use by insurers, other third-party reimbursement sources, and chemical dependency treatment centers.
- (c) Standards adopted under this section must provide for:
- (1) Reasonable control of costs necessary for inpatient and outpatient treatment of chemical Dependency, including guidelines for treatment periods; and
 - (2) Appropriate utilization review of treatment as well as necessary extensions of treatment.
- (d) Coverage required under this chapter is subject to the standards adopted under this section.

Washington

RCW 48.43.760

<https://app.leg.wa.gov/RCW/default.aspx?cite=48.43.760>

Opioid Use Disorder – Coverage without prior authorization

For health plans issued or renewed on or after January 1, 2020, a health carrier shall provide coverage without prior authorization of at least one federal food and drug administration approved product for the treatment of opioid use disorder in the drug classes opioid agonists, opioid antagonists, and opioid partial agonists.

RCW 74.09.645

<https://app.leg.wa.gov/RCW/default.aspx?cite=74.09.645>

Opioid Use Disorder – Coverage without prior authorization

Upon initiation or renewal of a contract with the authority to administer a medicaid managed care plan, a managed health care system shall provide coverage without prior authorization of at least one federal food and drug administration approved product for the treatment of opioid use disorder in the drug classes opioid agonists, opioid antagonists, and opioid partial agonists.

State Market Plan Enhancements

None

Covered Benefits

Important Note: Covered benefits are listed in *Federal/State Mandated Regulations*, *State Market Plan Enhancements*, and *Covered Benefits* sections. Always refer to the *Federal/State Mandated Regulations* and *State Market Plan Enhancements* sections for additional covered services/benefits not listed in this section.

Note: Refer to the member's Evidence of Coverage (EOC)/Schedule of Benefit (SOB) to determine coverage eligibility

Refer to the Benefit Interpretation Policy titled [Chemical Dependency/Substance Abuse Detoxification](#).

Not Covered

Refer to the member's Evidence of Coverage (EOC)/Schedule of Benefit (SOB) for specific exclusions.

Policy History/Revision Information

Date	State(s) Affected	Summary of Changes
07/01/2021	All	<ul style="list-style-type: none">• Routine review; no change to benefit coverage guidelines• Archived previous policy version BIP141.J

Instructions for Use

Covered benefits are listed in three (3) sections: *Federal/State Mandated Regulations*, *State Market Plan Enhancements*, and *Covered Benefits*. All services must be medically necessary. Each benefit plan contains its own specific provisions for coverage, limitations, and exclusions as stated in the member's Evidence of Coverage (EOC)/Schedule of Benefits (SOB). If there is a discrepancy between this policy and the member's EOC/SOB, the member's EOC/SOB provision will govern.