| CMS Manual System | Department of Health & Human Services (DHHS) |
|---|---|
| Pub 100-20 One-Time Notification | Centers for Medicare & Medicaid Services (CMS) |
| **Transmittal 13014** | **Date: December 23, 2024** |
| | **Change Request 13580** |

**Transmittal 12675 issued June 05, 2024, is being rescinded and replaced by Transmittal 13014, dated December 23, 2024, to update the IOP rates in Section B. Policy and remove HCPCS code 96161 from the attachment. All other information remains the same.**

**NOTE: This Transmittal is no longer sensitive and is being re-communicated. This instruction may now be posted to the Internet.**

**SUBJECT: Update to Billing Requirements for Intensive Outpatient Program (IOP) Services for Rural Health Clinics (RHCs) and Federally Qualified Health Centers (FQHCs)**

**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to update the billing requirements for IOP when up to three services are performed and for when four or more IOP services are performed.

**EFFECTIVE DATE: January 1, 2025**
**Unless otherwise specified, the effective date is the date of service.*
**IMPLEMENTATION DATE: October 7, 2024 - Coding, design, and development; January 6, 2025 - Testing and implementation**

***Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.***

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

| R/N/D | CHAPTER / SECTION / SUBSECTION / TITLE |
|---|---|
| N/A | N/A |

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**
**One Time Notification**

# Attachment - One-Time Notification

| Pub. 100-20 | Transmittal: 13014 | Date: December 23, 2024 | Change Request: 13580 |
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**I. SUMMARY OF CHANGES:** The purpose of this Change Request (CR) is to update the billing requirements for IOP when up to three services are performed and for when four or more IOP services are performed.

## II. GENERAL INFORMATION

**A. Background:** Section 4124 of the Consolidated Appropriations Act of 2023 (CAA, 2023) established coverage and payment under Medicare for the Intensive Outpatient Program (IOP) benefit, effective January 1, 2024. IOP services can be furnished in hospitals, Community Mental Health Centers (CMHCs), FQHCs and RHCs, and in Opioid Treatment Programs (OTPs) for the treatment of opioid use disorder (OUD).

Section 4124(c) of the CAA, 2023 requires payment for IOP services furnished by RHCs and FQHCs to be made at the same payment rate as if it were furnished by a hospital. Section 4124(c) of the CAA, 2023 also requires that costs associated with IOP services furnished by RHCs and FQHCs to not be used to determine payment amounts under the RHC all-inclusive rate (AIR) methodology or FQHC prospective payment system (PPS).

For CY 2024, CMS finalized a 3 services per day and a 4 or more services per day payment rate for IOP services furnished in hospitals and CMHCs. CMS also finalized a 3 services per day payment rate for IOP services furnished in RHCs and FQHCs. At that time, we did not finalize a 4 or more services per day payment rate for RHCs and FQHCs.

This CR provides further alignment with other settings of care that provide IOP services.

**B. Policy:** We are implementing the following payment rates for 3 services and 4 or more IOP services furnished in RHCs and FQHCs for IOP services furnished on or after January 1, 2025.

IOP Payment Rate:

The IOP payment rate for 3 or fewer service days is $269.19.

The IOP payment rate for 4 or more service days is $408.55.

For IOP services furnished in FQHCs, the payment is based on the lesser of an FQHC's actual charges or the 3 services per day or the 4 or more services per day IOP payment rate, whichever is applicable.

For grandfathered tribal FQHCs, payment will be the Medicare outpatient per visit rate as established by the IHS when furnishing IOP services. That is, payment is based on the lesser of a grandfathered tribal FQHC's actual charges or the Medicare outpatient per visit rate.

## III. BUSINESS REQUIREMENTS TABLE

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | MAC | FISS | MCS | VMS | CWF | |
| 13580.1 | Contractors shall continue to identify IOP RHC and FQHC claims as:<br>• TOB is 71X or 77X;<br>• dates of service on or after January 1, 2024;<br>• condition code is 92;<br>• revenue code 0905 or 0519 (MA claims);<br>• and HCPCS code from attachment A. | | | | | X | | | | FQHC Pricer, IOCE, PS&R |
| 13580.2 | Contractors shall add a new user controlled field to house the IOP rate for RHC claims (TOB 71X) when 4 or more IOP services are performed.<br><br>This rate field is effective 01/01/2025.<br><br>The rate field created in CR13264 will be used when for 3 or fewer IOP services are performed. | X | | | | X | | | | |
| 13580.3 | Contractors shall create a process to allow for the updating of the IOP 3 or fewer, or IOP 4 or more rate, effective date, and term date, for all providers with a facility code of S or M. This process should term date any IOP rates with an effective date prior to the newly entered IOP rate's effective | X | | | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | MAC | FISS | MCS | VMS | CWF | |
| | date. | | | | | | | | | |
| 13580.4 | Contractors shall pay the IOP rate for 3 or fewer services on RHC claims when:<br><br>• TOB is 71X;<br>• the revenue code is 0905; and<br>• modifier CG is present with at least one HCPCS code from attachment A, list A primary services for dates of service on or after January 1, 2025.<br><br>Only one IOP payment is made per day.<br><br>NOTE: For dates of service January 1, 2024 - December 31, 2024, the rate for 3 or fewer services should be used for all IOP claims. | | | | | X | | | | IOCE |
| 13580.4.1 | Contractors shall pay the IOP rate for 4 or more services on RHC claims when:<br><br>• TOB is 71X;<br>• dates of service on or after January 1, 2025;<br>• the revenue code is 0905; and<br>• modifier CG is present with at least one HCPCS code from attachment A, list A primary services and at least 3 additional HCPCS codes are reported from list A or B with the same line item date of service.<br><br>Only one IOP payment is made per day. | | | | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME MAC | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | | FISS | MCS | VMS | CWF | |
| | NOTE: For dates of service January 1, 2024 - December 31, 2024, the rate for 3 or fewer services should be used for all IOP claims. | | | | | | | | | |
| 13580.5 | The FQHC PRICER shall utilize the composite adjustment flag (CAF) to pay IOP claims (condition code 92) the rate for 3 or fewer services when the payment indicator (PI) is 15 or 16 and the CAF is 04 or pay the rate for 4 or more services when the PI is 15 or 16 and the CAF is 05 for dates of service on or after January 1, 2025.<br><br>All other logic remains the same. | | | | | | | | | FQHC Pricer, IOCE |
| 13580.6 | Contractors shall package mental health services (revenue code 900 with modifier CG) submitted with the same line item date of service as IOP services (revenue code 0905 with modifier CG) on RHC claims (71X TOB), effective for dates of service on or after January 1, 2025.<br><br>Note: IOP and mental health services are allowed on the same day but paid a single payment based on the IOP rate. | | | | | X | | | | |
| 13580.6.1 | Contractors shall ensure the mental health service is shown as covered with the following ANSI information:<br><br>Group code CO- Contractual obligation<br><br>CARC 97 The benefit for this service is included in the payment/allowance for | | | | | X | | | | |

| Number | Requirement | Responsibility | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | A/B MAC | | | DME | Shared-System Maintainers | | | | Other |
| | | A | B | HHH | MAC | FISS | MCS | VMS | CWF | |
| | another service/procedure that has already been adjudicated.<br><br>Note: Refer to the 835 Healthcare Policy Identification Segment (loop 2110 Service Payment Information REF), if present.<br><br>RARC M15 Separately billed services/tests have been bundled as they are considered components of the same procedure. Separate payment is not allowed.<br><br>MSN 16.34 - You should not be billed for this service. You are only responsible for any deductible and coinsurance amounts listed in the 'You May Be Billed' column. | | | | | | | | | |

## IV. PROVIDER EDUCATION

None

**Impacted Contractors:** None

## V. SUPPORTING INFORMATION

**Section A: Recommendations and supporting information associated with listed requirements:** N/A

*"Should" denotes a recommendation.*

| X-Ref Requirement Number | Recommendations or other supporting information: |
|---|---|

**Section B: All other recommendations and supporting information:**N/A

## VI. CONTACTS

**Pre-Implementation Contact(s):** Tracey Mackey, 410-786-5736 or tracey.mackey@cms.hhs.gov , Cindy Pitts, 410-786-2222 or cindy.pitts@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

## VII. FUNDING

**Section A: For Medicare Administrative Contractors (MACs):**
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**ATTACHMENTS: 1**

**Attachment A: IOP Codes and Services**

**List A Primary Services**

| HCPCS/CPT | Short Descriptor |
|---|---|
| 90832 | Psytx pt&/family 30 minutes |
| 90834 | Psytx pt&/family 45 minutes |
| 90837 | Psytx pt&/family 60 minutes |
| 90845 | Psychoanalysis |
| 90846 | Family psytx w/o patient |
| 90847 | Family psytx w/patient |
| 90853 | Group psychotherapy |
| 90880 | Hypnotherapy |
| 96112 | Devel tst phys/qhp 1st hr |
| 96116 | Neurobehavioral status exam |
| 96130 | Psychological testing evaluation by physician/qualified health care professional; first hour |
| 96132 | Neuropsychological testing evaluation by physician/qualified health care professional; first hour |
| 96136 | Psychological/neuropsychological testing by physician/qualified health care professional; first 30 minutes |
| 96138 | Psychological/neuropsychological testing by technician; first 30 minutes |
| G0410 | Grp psych partial hosp/IOP 45-50 |
| G0411 | Inter active grp psych PHP/IOP |

**List B Services**

| HCPCS/CPT | Short Descriptor |
|---|---|
| 90785 | Psytx complex interactive |
| 90791 | Psych diagnostic evaluation |
| 90792 | Psych diag eval w/med srvcs |
| 90832 | Psytx pt&/family 30 minutes |
| 90833 | Psytx pt&/fam w/e&m 30 min |
| 90834 | Psytx pt&/family 45 minutes |
| 90836 | Psytx pt&/fam w/e&m 45 min |
| 90837 | Psytx pt&/family 60 minutes |
| 90838 | Psytx pt&/fam w/e&m 60 min |
| 90839 | Psytx crisis initial 60 min |
| 90840 | Psytx crisis ea addl 30 min |
| 90845 | Psychoanalysis |
| 90846 | Family psytx w/o patient |
| 90847 | Family psytx w/patient |
| 90849 | Multiple family group psytx |
| 90853 | Group psychotherapy |
| 90880 | Hypnotherapy |
| 90899 | Psychiatric service/therapy |
| 96112 | Devel tst phys/qhp 1st hr |
| 96116 | Neurobehavioral status exam |
| 96130 | Psychological testing evaluation by physician/qualified health care professional; first hour |
| 96131 | Psychological testing evaluation by physician/qualified health care professional; each additional hour |
| 96132 | Neuropsychological testing evaluation by physician/qualified health care professional; first hour |
| 96133 | Neuropsychological testing evaluation by physician/qualified health care professional; each additional hour |
| 96136 | Psychological/neuropsychological testing by physician/qualified health care professional; first 30 minutes |
| 96137 | Psychological/neuropsychological testing by physician/qualified health care professional; each additional 30 minutes |
| 96138 | Psychological/neuropsychological testing by technician; first 30 minutes |
| 96139 | Psychological/neuropsychological testing by technician; each additional 30 minutes |
| 96146 | Psychological/neuropsychological testing; automated result only |
| 96156 | Hlth bhv assmt/reassessment |
| 96158 | Hlth bhv ivntj indiv 1st 30 |
| 96164 | Hlth bhv ivntj grp 1st 30 |
| 96167 | Hlth bhv ivntj fam 1st 30 |
| 97151 | Bhv id assmt by phys/qhp |
| 97152 | Bhv id suprt assmt by 1 tech |
| 97153 | Adaptive behavior tx by tech |
| 97154 | Grp adapt bhv tx by tech |
| 97155 | Adapt behavior tx phys/qhp |
| 97156 | Fam adapt bhv tx gdn phy/qhp |

| HCPCS/CPT | Short Descriptor |
|---|---|
| 97157 | Mult fam adapt bhv tx gdn |
| 97158 | Grp adapt bhv tx by phy/qhp |
| G0129 | PHP/IOP service |
| G0176 | Opps/php/IOP; activity thrpy |
| G0177 | Opps/php/IOP; train & educ |
| G0410 | Grp psych PHP/IOP 45-50 |
| G0411 | Interactive grp psyc PHP/IOP |
| G0451 | Development test interpt&rep |