

# Understanding the Partial Hospitalization Program Basics: Part 2 Medicare Billing

3/27/2025

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# Objective

Review billing requirements for PHP services provided by a hospital, CAH or CMHC to assist in rendering and billing Medicare-compliant PHP services

# Today's Presenters

## Provider Outreach and Education Consultants

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# Agenda

- [PHP Overview for Hospitals, CAHs, and CMHCs](#)
- [PHP Billing](#)
- [PHP Reimbursement](#)
- [Resources](#)
- [Questions](#)

# PHP Overview for Hospitals, CAHs, and CMHCs

# OP Hospital Psychiatric Services

- Hospitals provide wide range of psychiatric services to outpatients needing psychiatric care
  - One or more individual services up to comprehensive, full-day programs (e.g., PHP)
  - May be intensive or primarily supportive
- General coverage
  - Reasonable and necessary for diagnosis or treatment of patient's condition
  - Physician supervision and evaluation
  - Services provided incident to physician's service
  - Individualized treatment plan
  - Beneficiary must have Medicare Part B coverage

# Community Mental Health Center (CMHC)

- Must meet certain program and patient criteria:
  - Maintain appropriate state and local CMHC licensing/certification
  - Provide
    - OP services, including specialized services for children, older adults, chronically mentally ill patients, and residents of its service area discharged from an IP mental health treatment facility
    - 24-hour emergency care services with clinician access and appropriate disposition with follow-up documentation of the emergency in patient's CMHC medical record
    - Day treatment, PHP services, or psychosocial rehabilitation services with structured daily treatment plans varying in intensity, frequency, and duration based on patient's needs
    - At least 40% of its services to patients ineligible for Social Security Act (SSA), Title XVIII benefits (Medicare)
    - Clinically evaluated state mental health facility candidate admissions by clinical personnel and authorized under state law, except those provided by a 24-hour facility; a CMHC operating in a state that, by law, prevents it from providing these services may contract with entity HHS Secretary approves



# PHP Overview

- PHP services - Distinct and structured set of OP psychiatric services
- SSA Sections:
  - 1861(ff): Defines services covered under PHP benefit
  - 1866(e)(2): Recognizes CMCHs as “providers of services” only for furnishing PHP services
  - 1835 (a)(2)(F): Must be under care of physician who certifies need for PHP
  - 1862(a)(1)(A): Medicare services must be reasonable and medically necessary
    - Diagnosis or treatment of illness or injury or to improve functioning of malformed body member

# PHP Overview (2)

- PHP provides **intensive** psychiatric care in HOPD, CAH or Medicare-certified CMHC
  - In lieu of IP stay
  - Most intensive level of OP care
    - FYI: IOP less intensive than PHP
  - Distinct, organized intensive psychiatric OP treatment program to treat profound or disabling mental health condition
  - Active treatment
  - Offers psychiatric treatment less than 24-hours a day

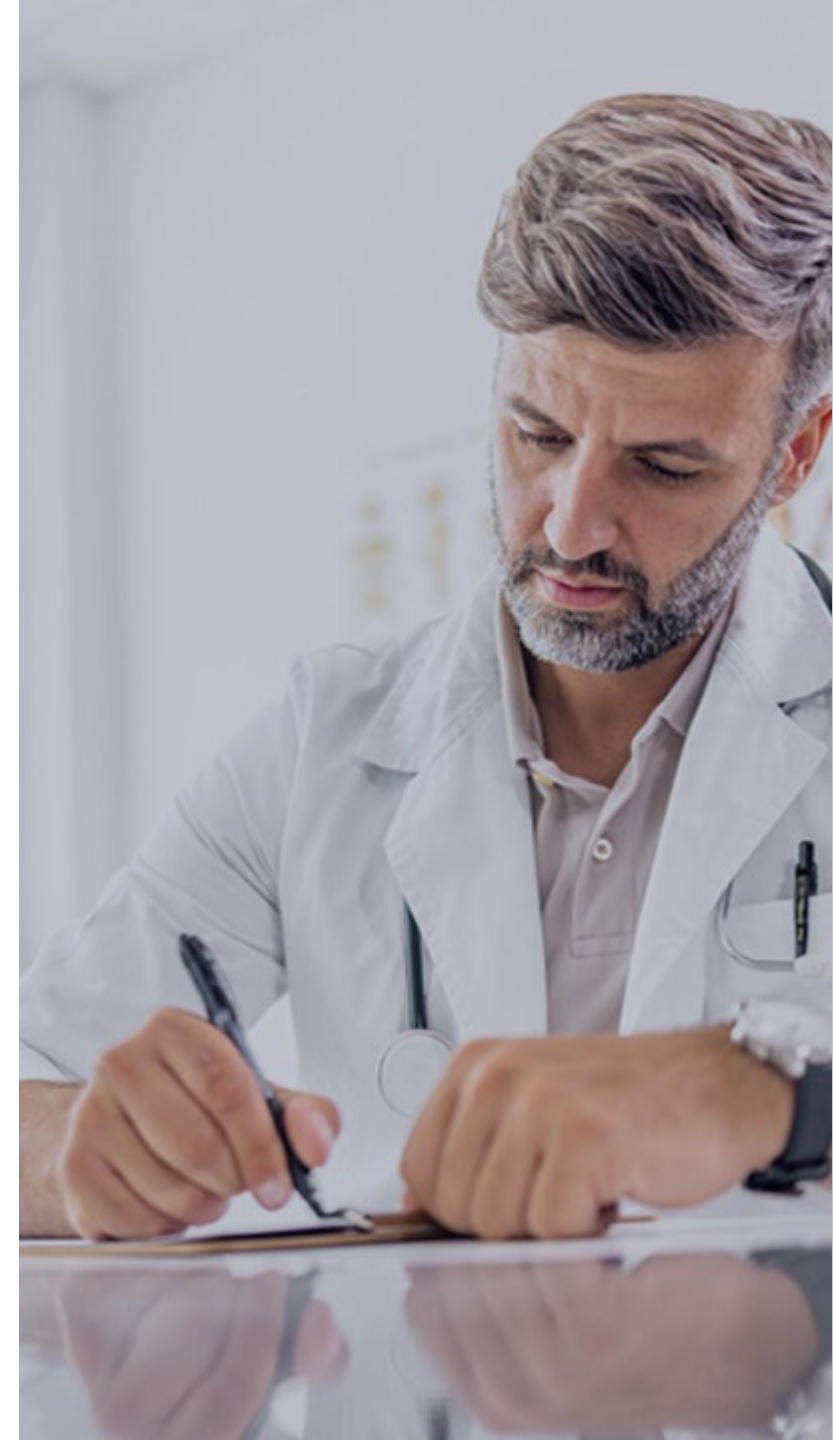
# PHP Overview <sup>(3)</sup>

- Medicare covers PHP for
  - Acute mental illness
  - Exacerbation of chronic illness
  - When patient would otherwise require IP psychiatric care
- PHP differs from OP services
  - Intensity/frequency of participation
    - Minimum of 20 hours per week
  - Comprehensive/structured program
  - Services specified in individualized treatment plan

# PHP Billing

# PHP Billing Section Note

- This section intended to highlight billing facility PHP services only
- Additional revenue, CPT/HCPCS and ICD-10 codes are available in our medical policies/articles
  - L33626: [LCD for Psychiatric Partial Hospitalization Programs](#)
    - A56850: [Billing and Coding: Psychiatric Partial Hospitalization Programs](#)
  - L33632: [LCD for Psychiatry and Psychology Services](#)
    - A56937: [Billing and Coding: Psychiatry and Psychology Services](#)
- Refer to Resources section



# Professional Services Rendered in PHP

- Physician, physician assistant (billed by PAs employer), nurse practitioner, clinical nurse specialist, clinical psychologist
  - Not paid as PHP
  - Beneficiary must have Medicare Part B coverage
  - Submit to your Medicare Part B MAC on CMS-1500 claim form, or electronic equivalent

# Billing PHP Facility Services

- Submit to your Part A MAC on CMS-1450 claim form, or electronic equivalent
  - Services of other practitioners bundled (included in facility reimbursement) when furnished to CMHC patients
    - Including clinical social workers and occupational therapists
- Reminder: Beneficiary must have Medicare Part B coverage for OP services

# TOB, Condition Code and Principal Diagnosis

- Hospital OP PHP Program
  - TOB = 13X (hospital outpatient)
  - TOB = 85X (CAH)
  - CC 41
  - Mental health diagnosis must be reported as principal diagnosis
- CMHC
  - TOB = 76X
  - Mental health diagnosis must be reported as principal diagnosis



# Required Coding

- Report for each individual covered service
  - Revenue code
  - Charges
  - CPT/HCPCS codes:
    - Required for HOPD and CMHC
    - Not required for CAH
    - Reminder: Revenue code 0250 does not require CPT/HCPCS codes
  - Service units
    - Reflect number of times service/procedure performed according to full CPT/HCPCS definition
    - CAHs report service units per number of times revenue code visit performed
    - Where code definition does not include reference to time, do not report sessions of less than 45 minutes
  - LIDOS

# LIDOS Requirement

- LIDOS required when services provided on more than one day in billing period
  - Identify DOS for each CPT/HCPCS code (Exception: CAH)
    - Report in FL 45 “Service Date” (or electronic equivalent) Format: YYYYMMDD
    - Repeat each service (revenue code) on separate line item with date service provided for every occurrence
  - Example: Group therapy services provided twice during billing period

Revenue Code	CPT/HCPCS Code	DOS	Units	Total Charges
0915	G0176	20240905	1	\$80
0915	G0176	20240924	2	\$160

# Hospital/CMHC: Acceptable Revenue Codes

Revenue Code	Description
0250	Drugs and Biologicals
043X	Occupational Therapy
0900	Behavioral Health Treatment/Services
0904	Activity Therapy
0914	Individual Therapy
0915	Group Therapy
0916	Family Therapy
0918	Behavioral Health/Testing
0942	Education Training
Note: Revenue code 0250 does not require HCPCS coding	

# Hospitals (other than CAH): Codes for PHP Services

Revenue	Description	HCPCS/CPT Code
043X	Occupational Therapy	G0129 (PHP/IOP)
0900	Behavioral Health Treatment/Services	90791 or 90792, 97153, 97154, 97155, 97156, 97157, 97158
0904	Activity Therapy (PHP)	G0176 (PHP/IOP)
0914	Individual Psychotherapy	90785, 90832, 90833, 90834, 90836, 90837, 90838, 90839, 90840, 90845, 90880, 90899
0915	Group Therapy	G0410, G0411, 90853
0916	Family Psychotherapy	90846, 90847, 90849
0918	Behavioral Health/Testing	96112, 96116, 96130, 96131, 96132, 96133, 96136, 96137, 96138, 96139, 96146, 96156, 96158, 96161, 96164, 96167, 97151, 97152
0942	Education Training	G0177, G0023, G0024, G0140, G0146, G0451, G0539, G0540, 96202, 96203, 97550, 97551, 97552

# Caregiver Training

- New codes that may be reported effective 1/1/2025
  - Caregiver-focused services, when reported, do not count toward payment for PHP or IOP APCs
    - CMS to include associated costs in calculation of PHP/IOP payment rates in future years

CPT/HCPCS Code	Description	Status Indicator
G0539	Initial care training 30 min	N
G0540	Train for caregiver, additional 13 min	N

# CMHC (TOB 76X): Codes for PHP Services

Revenue	Description	CPT/HCPCS Code
043X	Occupational Therapy	G0129 (PHP/IOP)
0900	Behavioral Health Treatment/Services	90791 or 90792, 97153, 97154, 97155, 97156, 97157, 97158
0904	Activity Therapy (PHP)	G0176 (PHP/IOP)
0914	Individual Psychotherapy	90785, 90832, 90833, 90834, 90836, 90837, 90838, 90839, 90840, 90845, 90865, 90880, 90899
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0942	Education Training	G0023, G0024, G0140, G0146, G0177, G0451, <b>G0539, G0540</b> , 96202, 96203, 97550, 97551, 97552

# CPT/HCPCS Code Definitions

Code	Description
G0129	Occupational therapy services requiring skills of a qualified occupational therapist, furnished as a component of a partial hospitalization treatment program, per session (45 minutes or more)
G0176	Activity therapy, such as music, dance, art or play therapies not for recreation, related to care and treatment of patient's disabling mental problems, per session (45 minutes or more)
G0177	Training and educational services related to the care and treatment of patient's disabling mental health problems, per session (45 minutes or more)
G0410	Group psychotherapy other than a multiple-family group, in a partial hospitalization setting, approximately 45 to 50 minutes
G0411	Interactive group psychotherapy, in a partial hospitalization setting, approximately 45 to 50 minutes
<b>Note:</b> G0129 and G0176 are only applicable to PHP	
<b>Note:</b> G0177 applies to both PHP and outpatient mental health settings	

# CPT/HCPCS Code Definitions (2)

Code	Description
90791	Psychiatric diagnostic evaluation (no medical services) completed by a non-physician
90792	Psychiatric diagnostic evaluation (with medical services) completed by a physician
90785, 90832, 90833, 90834, 90836, 90837, 90838, 90845, 90865, 90880	Individual psychotherapy
90846, 90847	Family psychotherapy
96116, 96130, 96131, 96132, 96133, 96136, 96137, 96138, 96139, 96146	Behavioral Health/Testing



# Medicare Requirement: Interim Billing

- Submit PHP claims in DOS order
  - Interim or sequential billing
  - Applies to TOBs:
    - 13X (hospital OP) with CC 41
    - 85X (CAH) with CC 41
    - 76X (CMHC)
- May submit sequential interim bills daily, weekly, or monthly
- Submit claims with correct TOB frequency code
- Prior claim must finalize before next claim submitted in sequential order

# Interim Billing

- Must bill appropriate frequency digit in TOB
  - TOB XX1 = Admit though discharge claim
    - Examples: 131; 851; 761
  - TOB XX2 = First in a series of claims
    - Examples: 132, 852, 762
  - TOB XX3 = Claim for continuing course of treatment
    - Not admission or discharge claim
    - Examples: 133, 853, 763
  - TOB XX4 = Last claim in a series/discharge claim
    - No additional PHP services anticipated
    - Examples: 134, 854, 764

# Interim Billing <sup>(2)</sup>

- Prior PHP claim must have “through” date within seven (7) days of “from” date of incoming PHP claim
- Claims submitted out of sequence RTP for correction
  - Submit claim(s) for earlier DOS first
  - When that claim finalized, then resubmit out of sequence claim
- Medicare validates initial PHP claim submitted as
  - TOB 131 or 132 with CC 41 (OP hospital)
  - TOB 851 or 852 with CC 41 (CAH)
  - TOB 761 or 762 (CMHC)

# LOA

- LOA “Carve Out” process applies for IP stay, OP services, or OP service subject to OPPS provided during PHP
  - Must continue sending interim PHP claims, as applicable
  - Use OSC 74 to identify noncovered level of care/LOA dates
    - Include from and through dates for period of noncovered care when non-PHP services provided during PHP claim’s from and through dates
    - Example in [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 1](#), Section 50.2.2

# Hospital and CMHC: OPPS Services on Same Day

- Hospital rendering ECT on same day as PHP
  - Report on PHP claim (with CC41)
    - All charges/supplies associated supplies for ECT and PHP
- Hospital rendering non-partial hospitalization mental health services to PHP patient
  - Report on PHP claim (with CC 41)
    - All charges/supplies for PHP and non-PHP mental health services

# Reminder: Off-Campus Billing Requirement

- Applies to hospital-based and CMHC PHPs
  - PO modifier
    - Required on each claim line for excepted off-campus provider-based departments
  - PN modifier
    - Required on each claim line for non-excepted off-campus provider-based departments
- Resources:
  - [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 4, Sections 20.6.11, 20.6.12, 20.6.18, 260.1](#)
  - NGS articles:
    - [Attention All OPPS Providers: Provider-Based Department Edits Being Implemented on/after 8/1/2023](#)
    - [URGENT: Billing Reminders for OPPS Providers with Multiple Service Locations](#)



## Reminder: Part B Services (CMS-1500 Claim Form)

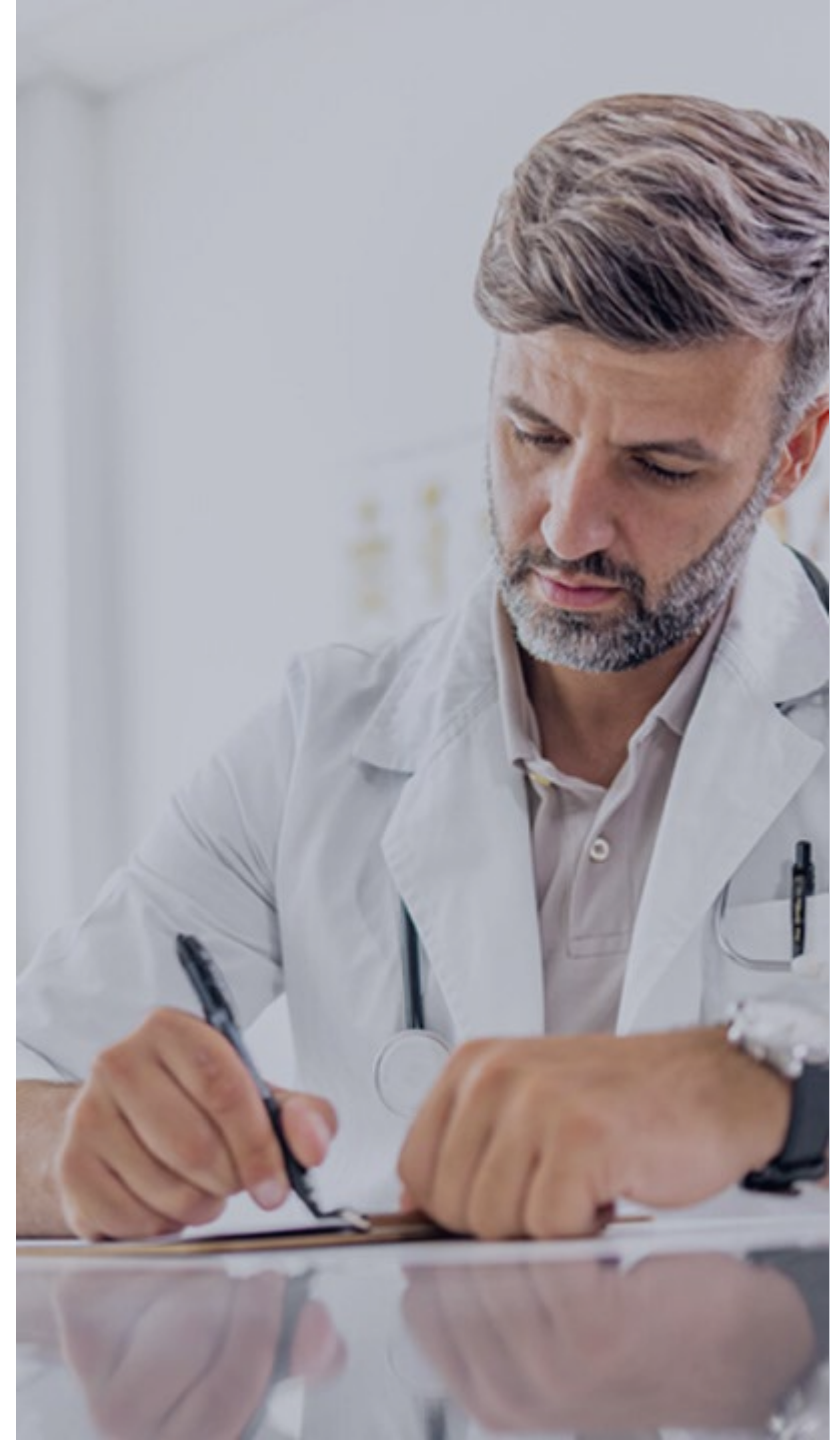
- Professional services furnished by physicians, clinical psychologists, nurse practitioners, clinical nurse specialists, and physician assistants (billed by PAs employer)
  - Billed separately from PHP services
- Paid under MPFS

# PHP Reimbursement



# Reimbursement Methodology for PHP Services

- OPPS payment method
  - HOPDs
  - CMHCs
- CAH payment methods
  - Standard: Reasonable cost
  - Optional: Reasonable cost-based facility services plus 115% professional services fee schedule payment
- Medicare Part B deductible and coinsurance applies



# OPPS and Non-OPPS Quarterly Updates

- New processing requirements via quarterly I/OCE release applicable for, but not limited to
  - OPPS: HOPDs and CMHCs
  - Non-OPPS: CAHs
- I/OCE releases published via CRs and MLN Matters articles with specifications published on CMS website: [I/OCE Quarterly Release Files](#)
- Quarterly Addendum A and B updates reflect OPPS Pricer changes and published in [Addendum A and Addendum B Updates](#)

# PHP Reimbursement

APC	Group Title
5853	Partial Hospitalization – three (3) or <i>fewer</i> services per day <ul style="list-style-type: none"> <li>• Applies to CMHC PHP</li> </ul>
5854	Partial Hospitalization – four (4) or more services per day <ul style="list-style-type: none"> <li>• Applies to CMHC PHP</li> </ul>
5863	Partial Hospitalization – three (3) or <i>fewer</i> services per day <ul style="list-style-type: none"> <li>• Applies to hospital-based PHP</li> </ul>
5864	Partial Hospitalization – four (4) or more services per day <ul style="list-style-type: none"> <li>• Applies to hospital-based PHP</li> </ul>
CAH - paid reasonable cost methodology	
Deductible and coinsurance apply	

### 5.5.1.2.3 Partial Hospitalization and Daily Mental Health Processing Logic Flowchart v25.0

## I/OCE Quarterly Release Files

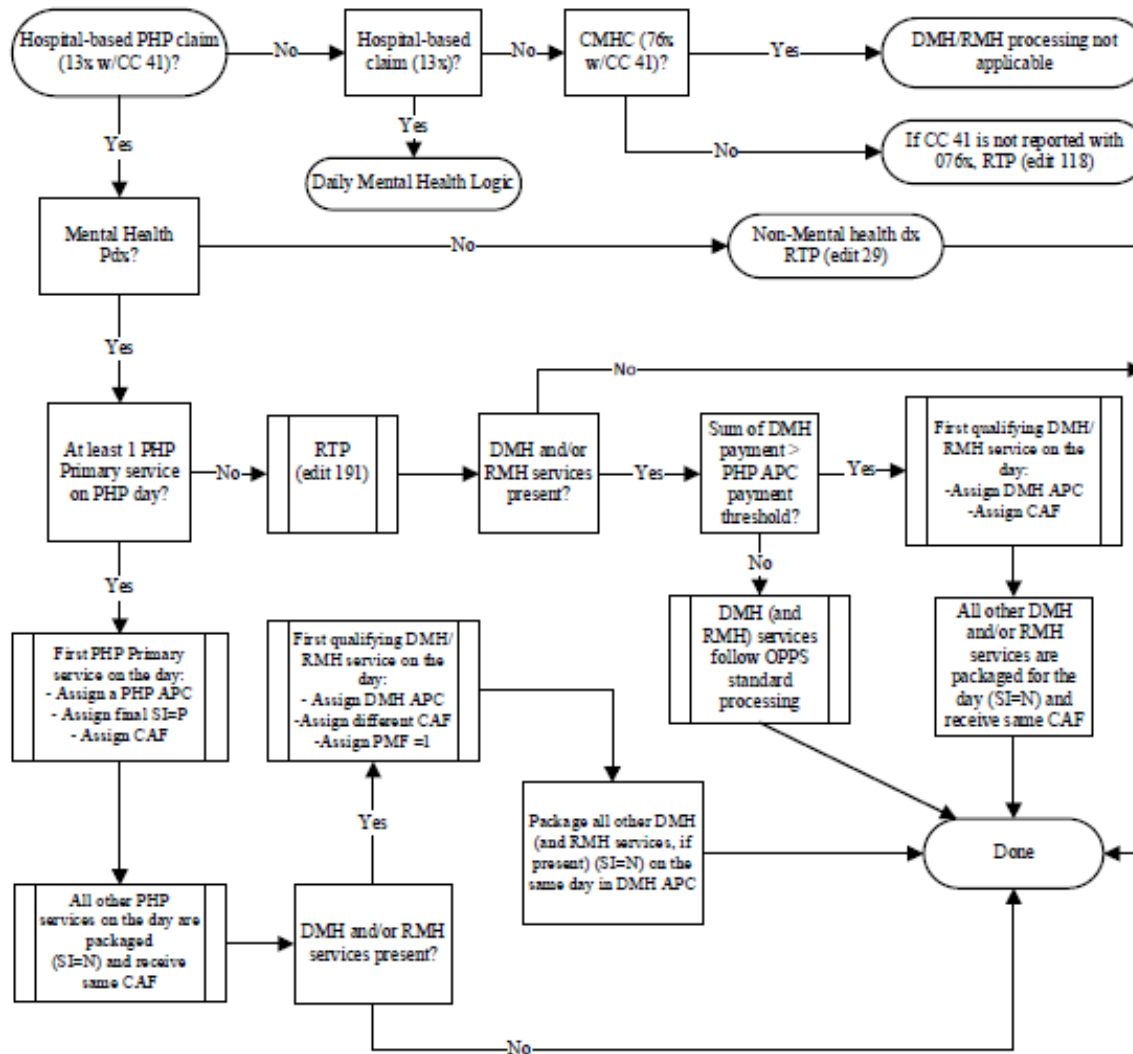
- Jan 2025: [Integrated OCE \(IOCE\) CMS Specifications V26.0](#) (zip file)

Reference I/OCE data file  
 "DATA\_HCPCS" table for applicable codes:

- PH\_PRIMARY list
- PH\_SERVICE

#### Notes:

- Effective v25.0, The level 1 PHP APC is determined by the presence of a PH primary service, a level II PHP APC is assigned when there are 4 or more PHP services for the day.
- Effective v25.0, CMHCs bill PHP claims with CC 41.
- Effective v24.0, edit 80 no longer returns if DMH services are reported on a TOB 13x w/CC 41.
- In the presence of a PHP APC, DMH services package into DMH composite APC with no additional payment, PMF=1.
  - Remote Mental Health services (RMH) also package into DMH APC, when present.
- If no PHP APC is assigned, DMH services reported continue standard DMH processing to determine if DMH composite is met.
  - Note: RMH services also count toward the DMH composite cap, when present.**
- If no PHP APC or DMH APC are assigned, DMH and RMH services (when present) are paid via standard APC processing.



# Resources

# NGS LCDs and Articles

- L33626: [LCD for Psychiatric Partial Hospitalization Programs](#)
  - A56850: [Billing and Coding: Psychiatric Partial Hospitalization Programs](#)
- L33632: [LCD for Psychiatry and Psychology Services](#)
  - A56937: [Billing and Coding: Psychiatry and Psychology Services](#)
- [NGS Tools & Calculators > Acronym search tool](#)

# CMS IOMs

- [CMS IOM Publication 100-02, Medicare Benefit Policy Manual, Chapter 6, Hospital Services Covered Under Part B, Sections](#)
  - 70 – Outpatient Hospital Psychiatric Services
    - 70.1 – General
    - 70.2 – Coverage Criteria for Outpatient Hospital Psychiatric Services
    - 70.3 – Partial Hospitalization Services

# CMS IOMs (2)

- [CMS IOM Publication 100-04, Medicare Claims Processing Manual, Chapter 4 - Part B Hospital, Sections](#)
  - 20.6.11 – Modifier PO
  - 20.6.12 – Modifier PN
  - 20.6.18 – Modifier ER
  - 170 - Hospital and CMHC Reporting Requirements for Services Performed on the Same Day
  - 260 - Outpatient Partial Hospitalization Services
  - 270 - Billing for Hospital Outpatient Services Furnished by Clinical Social Workers (CSWs)
- [CMS IOM Publication 100-08, Medicare Program Integrity Manual, Chapter 3, Sections](#)
  - 3.3.2.4 - Signature Requirements
  - 3.3.2.6 - Psychotherapy Notes



# CRs and MLN Matters® Articles

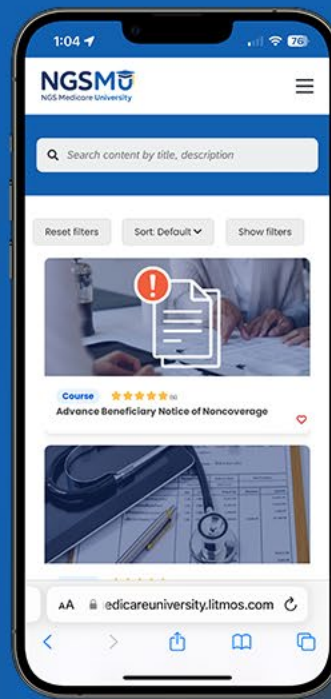
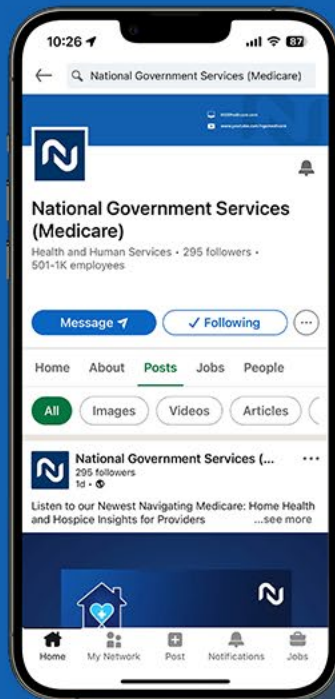
- [CR 8048](#): Enforcing Interim Billing for Partial Hospitalization Services
- [CR 9880](#): Implementing the Remittance Advice Messaging for the 20 Hour Weekly Minimum for Partial Hospitalization Program Services
- [CR 11066](#) and MLN Matters® [MM11066](#): Revising the Remittance Advice Messaging for the 20-Hour Weekly Minimum for Partial Hospitalization Program Services
- [CR 13908](#): January 2025 Integrated Outpatient Code Editor (I/OCE) Specifications Version 26.0
- [CR 13933](#): January 2025 Update of the Hospital Outpatient Prospective Payment System (OPPS)

# CMS Resources

- MLN® Booklet: [Medicare & Mental Health Coverage](#)
- MLN® Booklet: [Information for Critical Access Hospitals](#)
- MLN® Fact Sheet: [Telehealth Services](#)
- CMS Quality, Safety & Oversight - Certification & Compliance: [Community Mental Health Centers](#)
- Community Mental Health Centers Conditions of Participation: [42 CFR Part 485 Subpart J](#)
- MLN® Educational Tool: [Medicare Provider Compliance Tips](#)
  - Approximately 60 different topics included
- MLN® Fact Sheet: [Complying with Medical Record Documentation Requirements](#)
- MLN® Educational Tool: [Medicare Preventive Services](#)

# Questions?

Thank you!



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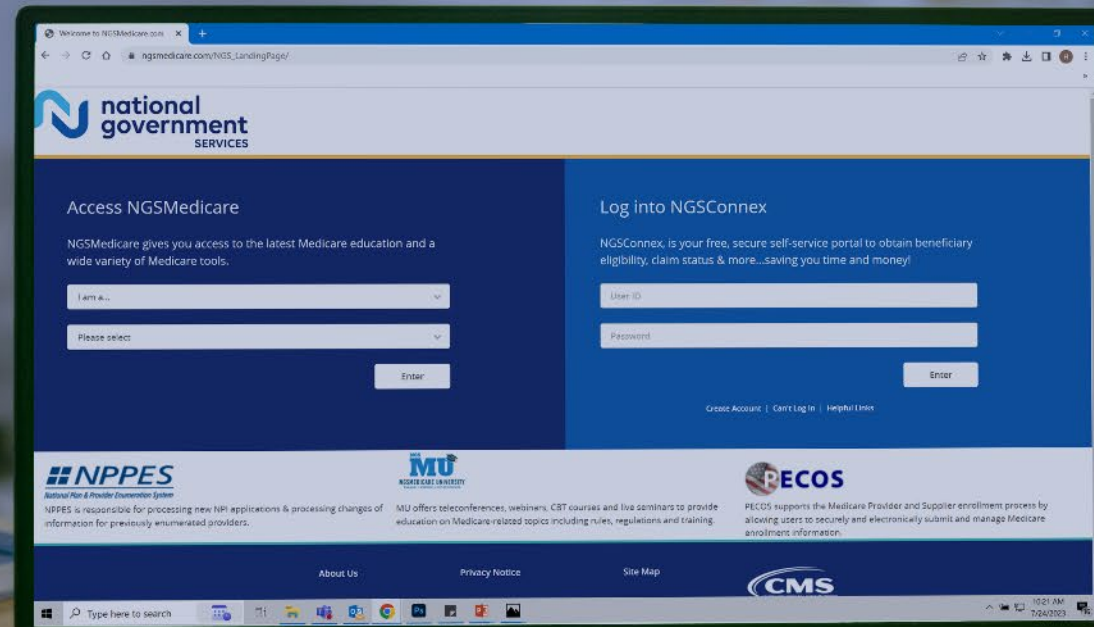


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