



CMS Local Coverage Determination (LCD) of Psychiatric Partial Hospitalization Programs for Massachusetts, New York, and Rhode Island

[L33626](#)

Coverage Indications and Limitations

Psychiatric partial hospitalization is an intensive psychiatric outpatient treatment of less than 24 hours of daily care for patients who are discharged from an inpatient hospital treatment program, or patients requiring an intensive treatment setting in lieu of inpatient treatment. Partial hospitalization programs are designed to provide patients with profound or disabling mental health conditions an individualized, coordinated, intensive, comprehensive, and multidisciplinary treatment program not provided in a regular outpatient setting. Partial hospitalization programs are furnished by a hospital or community mental health center to patients with acute mental illness in order to avoid inpatient care through this type of ambulatory care. Partial hospitalization requires admission and certification by a psychiatrist or physician, and patients in this level of care must require “active treatment” to address the presenting problem and provide clinically recognized therapeutic interventions including: individual, group, family, occupational, activity, and psycho-educational groups pertinent to the patient’s illness.

Partial hospitalization programs must have program availability of at least 20 hours per week, and patients must require a minimum of 20 hours per week of therapeutic services as evidenced by their plan of care. Absences from the partial hospitalization and their cause must be documented in the medical record. If a co-morbid substance use disorder is present, the program must be prepared to appropriately treat the substance use disorder.

Cross Reference

See the Medicare General Information, Eligibility, and Entitlement Manual, Chapter 3 §30, Medicare Claims Processing Manual, Chapter 12 §10, and Medicare Benefit Policy Manual, Chapter 15 §60.

Admission Criteria	Continued Stay Criteria	Discharge Criteria
<p>All of the following must be met:</p> <ol style="list-style-type: none"> 1. Patient must require comprehensive, active*, multimodal treatment because of a mental disorder 	<p>All of the following must be met:</p> <ol style="list-style-type: none"> 1. Member continues to meet all admission criteria 	<p>Any of the following must be met:</p> <ol style="list-style-type: none"> 1. Patient no longer meets admission criteria and/or meets criteria for another LOC, either more or less intensive



<ol style="list-style-type: none"> 2. Patient's disorder must interfere with multiple areas of daily life including: social, vocational, and/or educational functioning. 3. Symptoms must be of an acute nature 4. There must be reasonable expectation of improvement in the member's disorder and level of functioning 5. Patient must have the capacity for active participation in all phases of the multidisciplinary and multimodal program 6. Patient or legal guardian must consent to treatment 7. Member does not require the 24-hour per day level of care provided in an inpatient setting and is not a danger to themselves or others; but may have a recent history of self-mutilation, serious risk taking, or other self-endangering behavior 8. Member has adequate support system to be maintained outside of partial hospitalization program <p>Exclusions: <i>Any of the following criteria are sufficient for exclusion from this level of care:</i></p>	<ol style="list-style-type: none"> 2. Member is being treated in the least intensive and restrictive setting which meets the needs of their illness. 3. Continued partial hospitalization is necessary to prevent hospitalization 4. Patient requires partial hospitalization services at the levels of intensity and frequency comparable to patients in an inpatient setting 5. Medication and psychiatric diagnostic evaluations must be occurring 6. There is a reasonable expectation of improvement in the patient's disorder and level of functioning as a result of the active treatment being provided by the partial hospitalization program 	<ol style="list-style-type: none"> 2. Patient is unable or unwilling to participate in a partial hospitalization program. 3. Patient or legal guardian has withdrawn consent for treatment 4. Active Treatment is no longer occurring 5. Patient's individual treatment plan and goals have been met.
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- 1) Symptoms are a result of chronic conditions or circumstance without acute exacerbation
- 2) Patient requires a structured environment, socialization, respite, custodial, and/or vocational rehabilitation services only.
- 3) Patient is in immediate/imminent danger to self, others, or property
- 4) Patient cannot or refuses to participate

See additional service limitations under Section 1862 (a)(1)(A) of the Social Security Act

Title XVIII of the Social Security Act (SSA):

Section 1862(a)(1)(A) of Title XVIII of the Social Security Act excludes expenses incurred for items or services which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve the functioning of a malformed body member.

Sections 1861 (ff) and 1832 (a) of Title XVIII of the Social Security Act define the partial hospitalization benefit and provide for coverage of partial hospitalization in a hospital or CMHC setting. Section 1861 (ff) also provides coverage of partial hospitalization in a Critical Access Hospital (CAH) outpatient setting.

Section 1861 (s)(2)(B) of Title XVIII of the Social Security Act references partial

<p>hospitalization in a hospital outpatient setting.</p> <p>Section 1835(a) of Title XVIII of the Social Security Act references physician certification.</p> <p>Section 1833(e) of Title XVIII of the Social Security Act requires services to be documented in order for payment to be made.</p> <p><u>Code of Federal Regulations:</u></p> <p>42 CFR Section 410.43 describes conditions and exclusions from partial hospitalization services.</p> <p>42 CFR Section 424.24 lists requirements for certification of partial hospitalization services</p> <p>https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c16.pdf</p> <p><i>*See Medicare service definition of active treatment- requiring clinically recognized medical and psychiatric evaluation, medication management, individual, group, and family psychotherapies, occupational, activity, and psycho-educational groups pertinent to the patient's illness.</i></p>		
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Additional Administrative Criteria for Medicare Coverage of Partial Hospitalization

- Psychiatrist or physician must be trained in diagnostic and treatment of psychiatric illness
- Psychosocial programs which provide only a structured environment, socialization, and/or vocational rehabilitation are not covered by Medicare
- Services to a skilled nursing facility resident that should be expected to be provided by the nursing facility staff
- Services to hospital inpatients
- Patients who do not participate in active treatment for a minimum of 3 hours per day, 4 days per week