



**CMS National Coverage Determination (NCD) Guideline Outpatient Hospital Services for Treatment of Alcoholism 130.2**  
[130.2](#)

<https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-Ioms-Items/Cms012673.html>

[https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ncd103c1\\_Part1.pdf](https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/ncd103c1_Part1.pdf) (Chapter 70)

Some hospitals provide services on an outpatient basis, either individually or as part of a day hospitalization program, for treatment of alcoholism. These services may include, for example, drug therapy, psychotherapy, and patient education and may be furnished by physicians, psychologists, nurses, and alcoholism counselors to individuals who have been discharged from an inpatient hospital stay for treatment of alcoholism and require continued treatment or to individuals from the community who require treatment but do not require the inpatient hospital setting.

**Indications and Limitations of Coverage**

Coverage is available for both diagnostic and therapeutic services furnished for the treatment of alcoholism by the hospital to outpatients subject to the same rules applicable to outpatient hospital services in general. While there is **no coverage for day hospitalization programs**, per se, individual services which meet the requirements in the Medicare Benefit Policy Manual, Chapter 6, §20 may be covered. (Meals, transportation and recreational and social activities do not fall within the scope of covered outpatient hospital services under Medicare.)

All services must be reasonable and necessary for diagnosis or treatment of the patient's condition (see the Medicare Benefit Policy Manual, Chapter 16 §20). Thus, educational services and family counseling would only be covered where they are directly related to treatment of the patient's condition. The frequency of treatment and period of time over which it occurs must also be reasonable and necessary

\*Definition of "outpatient hospital" may be found here <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-Ioms-Items/Cms012673.html> Chapter 6 section 20.2

<b>Admission Criteria</b>	<b>Continued Stay Criteria</b>	<b>Discharge Criteria</b>
<p><b>All of the following must be met:</b></p> <ol style="list-style-type: none"> <li>Coverage is available for both diagnostic and therapeutic services furnished for the treatment of alcoholism by the hospital to outpatients subject to the same rules applicable to outpatient hospital services in general</li> <li>Services must be reasonable and necessary for treatment of the individual's condition. (See the Medicare BPM, Chapter 16, "General Exclusions from Coverage," §90 below)</li> </ol>	<p><b>All of the following must be met:</b></p> <ol style="list-style-type: none"> <li>Member continues to meet all admission criteria</li> <li>Evidence suggests that the defined problems are likely to respond to current treatment plan.</li> <li>Patient progress is monitored regularly and the treatment plan modified if patient is not making substantial progress toward a set of clearly defined and measurable goals.</li> </ol>	<p><b>Any of the following must be met:</b></p> <ol style="list-style-type: none"> <li>Patient no longer meets admission criteria and/or meets criteria for another LOC, either more or less intensive</li> <li>Patient or parent/guardian withdraws consent for treatment and patient does not meet criteria for involuntary/mandated treatment.</li> <li>Active Treatment is no longer occurring</li> </ol>

<p><b>Exclusions:</b>  <a href="https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-Ioms-Items/Cms012673.html">https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-Ioms-Items/Cms012673.html</a> (Chapter 16)</p> <p>No payment can be made under either the hospital insurance or supplementary medical insurance program for certain items and services, when the following conditions exist:</p> <ul style="list-style-type: none"> <li>• Not reasonable and necessary (§20);</li> <li>• No legal obligation to pay for or provide (§40);</li> <li>• Paid for by a governmental entity (§50);</li> <li>• Not provided within United States (§60);</li> <li>• Resulting from war (§70);</li> <li>• Personal comfort (§80);</li> <li>• Routine services and appliances (§90);</li> <li>• Custodial care (§110);</li> <li>• Cosmetic surgery (§120);</li> <li>• Charges by immediate relatives or members of household (§130);</li> <li>• Dental services (§140);</li> <li>• Paid or expected to be paid under workers' compensation (§150);</li> </ul>	<p>4. Goals for treatment are specific and targeted to patient's clinical issues though It is not necessary that a course of therapy have as its goal restoration of the patient to the level of functioning exhibited prior to the onset of the illness, although this may be appropriate for some patients</p>	<p>4. Patient is not making progress toward goals, nor is there expectation of any progress.</p> <p>5. Patient's individual treatment plan and goals have been met.</p>
---	--	---

<ul style="list-style-type: none"><li>• Non-physician services provided to a hospital inpatient that were not provided directly or arranged for by the hospital (§170);</li><li>• Services Related to and Required as a Result of Services Which are not Covered Under Medicare (§180);</li><li>• <i>Excluded investigational devices (See Chapter 14).</i></li></ul>		
---	--	--