

**907 KAR 10:025. Reimbursement provisions and requirements regarding outpatient psychiatric hospital services.**

RELATES TO: KRS 205.520, 42 U.S.C. 1396a(a)(10)(B), 42 U.S.C. 1396a(a)(23)

STATUTORY AUTHORITY: KRS 194A.030(2), 194A.050(1), 205.520(3)

NECESSITY, FUNCTION, AND CONFORMITY: The Cabinet for Health and Family Services, Department for Medicaid Services, has a responsibility to administer the Medicaid Program. KRS 205.520(3) authorizes the cabinet, by administrative regulation, to comply with any requirement that may be imposed or opportunity presented by federal law to qualify for federal Medicaid funds. This administrative regulation establishes the reimbursement provisions and requirements regarding Medicaid Program outpatient behavioral health services provided by psychiatric hospitals to Medicaid recipients who are not enrolled with a managed care organization.

Section 1.

(1) "Advanced practice registered nurse" or "APRN" is defined by KRS 314.011(7).

(2) "Approved behavioral health services provider" means:

- (a) A physician;
- (b) A psychiatrist;
- (c) An advanced practice registered nurse;
- (d) A physician assistant;
- (e) A licensed psychologist;
- (f) A licensed psychological practitioner;
- (g) A certified psychologist with autonomous functioning;
- (h) A licensed clinical social worker;
- (i) A licensed professional clinical counselor;
- (j) A licensed marriage and family therapist;
- (k) A licensed psychological associate;
- (l) A certified psychologist;
- (m) A marriage and family therapy associate;
- (n) A certified social worker;
- (o) A licensed professional counselor associate;
- (p) A licensed professional art therapist;
- (q) A licensed professional art therapist associate;
- (r) A licensed clinical alcohol and drug counselor in accordance with Section 7 of this administrative regulation;
- (s) A licensed clinical alcohol and drug counselor associate in accordance with Section 7 of this administrative regulation; or
- (t) A certified alcohol and drug counselor.

(3) "Behavioral health practitioner under supervision" means an individual who is:

- (a)
  1. A licensed professional counselor associate;
  2. A certified social worker;
  3. A marriage and family therapy associate;
  4. A licensed professional art therapist associate;
  5. A licensed assistant behavior analyst;
  6. A physician assistant;
  7. A certified alcohol and drug counselor; or
  8. A licensed clinical alcohol and drug counselor associate in accordance with Section 7 of this administrative regulation; and
- (b) Employed by or under contract with the same billing provider as the billing supervisor.

- (4) "Billing provider" means the individual who, group of individual providers that, or organization that:
- (a) Is authorized to bill the department or a managed care organization for a service; and
  - (b) Is eligible to be reimbursed by the department or a managed care organization for a service.
- (5) "Billing supervisor" means an individual who is:
- (a)
    - 1. A physician;
    - 2. A psychiatrist;
    - 3. An advanced practice registered nurse;
    - 4. A licensed psychologist;
    - 5. A licensed clinical social worker;
    - 6. A licensed professional clinical counselor;
    - 7. A licensed psychological practitioner;
    - 8. A certified psychologist with autonomous functioning;
    - 9. A licensed marriage and family therapist;
    - 10. A licensed professional art therapist;
    - 11. A licensed behavior analyst; or
    - 12. A licensed clinical alcohol and drug counselor in accordance with Section 7 of this administrative regulation; and
  - (b) Employed by or under contract with the same billing provider as the behavioral health practitioner under supervision who renders services under the supervision of the billing supervisor.
- (6) "Certified alcohol and drug counselor" is defined by KRS 309.080(2).
- (7) "Certified psychologist" means an individual who is a certified psychologist pursuant to KRS 319.056.
- (8) "Certified psychologist with autonomous functioning" means an individual who is a certified psychologist with autonomous functioning pursuant to KRS 319.056.
- (9) "Certified social worker" means an individual who meets the requirements established in KRS 335.080.
- (10) "Department" means the Department for Medicaid Services or its designee.
- (11) "Federal financial participation" is defined by 42 C.F.R. 400.203.
- (12) "Licensed assistant behavior analyst" is defined by KRS 319C.010(7).
- (13) "Licensed behavior analyst" is defined by KRS 319C.010(6).
- (14) "Licensed clinical alcohol and drug counselor" is defined by KRS 309.080(4).
- (15) "Licensed clinical alcohol and drug counselor associate" is defined by KRS 309.080(5).
- (16) "Licensed clinical social worker" means an individual who meets the licensed clinical social worker requirements established in KRS 335.100.
- (17) "Licensed marriage and family therapist" is defined by KRS 335.300(2).
- (18) "Licensed professional art therapist" is defined by KRS 309.130(2).
- (19) "Licensed professional art therapist associate" is defined by KRS 309.130(3).
- (20) "Licensed professional clinical counselor" is defined by KRS 335.500(3).
- (21) "Licensed professional counselor associate" is defined by KRS 335.500(4).
- (22) "Licensed psychological associate" means an individual who:
- (a) Currently possesses a licensed psychological associate license in accordance with KRS 319.010(6); and
  - (b) Meets the licensed psychological associate requirements established in 201 KAR Chapter 26.
- (23) "Licensed psychological practitioner" means an individual who meets the requirements established in KRS 319.053.

- (24) "Licensed psychologist" means an individual who:
  - (a) Currently possesses a licensed psychologist license in accordance with KRS 319.010(6); and
  - (b) Meets the licensed psychologist requirements established in 201 KAR Chapter 26.
- (25) "Managed care organization" means an entity for which the Department for Medicaid Services has contracted to serve as a managed care organization as defined in 42 C.F.R. 438.2.
- (26) "Marriage and family therapy associate" is defined by KRS 335.300(3).
- (27) "Physician" is defined by KRS 205.510(11).
- (28) "Physician assistant" is defined by KRS 311.840(3).
- (29) "Provider" is defined by KRS 205.8451(7).

Section 2. General Requirements. For the department to reimburse for a service covered under this administrative regulation, the service shall:

- (1) Meet the requirements established in 907 KAR 10:020; and
- (2) Be covered in accordance with 907 KAR 10:020.

Section 3. Reimbursement.

- (1) One (1) unit of service shall be:
  - (a) Fifteen (15) minutes in length; or
  - (b) The unit amount identified in the corresponding:
    - 1. Current procedural terminology code;
    - 2. Healthcare common procedure coding system code; or
    - 3. Revenue code.
- (2) The rate per unit for a screening or for crisis intervention shall be:
  - (a) Seventy-five (75) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Physician; or
    - 2. Psychiatrist;
  - (b) 63.75 percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by:
    - 1. An advanced practice registered nurse; or
    - 2. A licensed psychologist;
  - (c) Sixty (60) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Licensed professional clinical counselor;
    - 2. Licensed clinical social worker;
    - 3. Licensed psychological practitioner;
    - 4. Certified psychologist with autonomous functioning;
    - 5. Licensed marriage and family therapist;
    - 6. Licensed professional art therapist; or
    - 7. Licensed clinical alcohol and drug counselor; or
  - (d) Fifty-two and five-tenths (52.5) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Marriage and family therapy associate working under the supervision of a billing supervisor;
    - 2. Licensed professional counselor associate working under the supervision of a billing supervisor;
    - 3. Licensed psychological associate working under the supervision of a billing supervisor;
    - 4. Certified social worker working under the supervision of a billing supervisor;
    - 5. Physician assistant working under the supervision of a billing supervisor;

6. Licensed professional art therapist associate working under the supervision of a billing supervisor;
  7. Certified alcohol and drug counselor working under the supervision of a billing supervisor; or
  8. Licensed clinical alcohol and drug counselor associate working under the supervision of a billing supervisor.
- (3) The rate per unit for an assessment shall be:
- (a) Seventy-five (75) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    1. Physician; or
    2. Psychiatrist;
  - (b) 63.75 percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by:
    1. An advanced practice registered nurse; or
    2. A licensed psychologist;
  - (c) Sixty (60) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    1. Licensed professional clinical counselor;
    2. Licensed clinical social worker;
    3. Licensed psychological practitioner;
    4. Certified psychologist with autonomous functioning;
    5. Licensed marriage and family therapist;
    6. Licensed professional art therapist;
    7. Licensed behavior analyst; or
    8. Licensed clinical alcohol and drug counselor; or
  - (d) Fifty-two and five-tenths (52.5) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    1. Marriage and family therapy associate working under the supervision of a billing supervisor;
    2. Licensed professional counselor associate working under the supervision of a billing supervisor;
    3. Licensed psychological associate working under the supervision of a billing supervisor;
    4. Certified social worker working under the supervision of a billing supervisor;
    5. Physician assistant working under the supervision of a billing supervisor;
    6. Licensed professional art therapist associate working under the supervision of a billing supervisor;
    7. Licensed assistant behavior analyst working under the supervision of a billing supervisor;
    8. Certified alcohol and drug counselor working under the supervision of a billing supervisor; or
    9. Licensed clinical alcohol and drug counselor associate working under the supervision of a billing supervisor.
- (4) The rate per unit for psychological testing shall be:
- (a) 63.75 percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a licensed psychologist;
  - (b) Sixty (60) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    1. Licensed psychological practitioner; or
    2. Certified psychologist with autonomous functioning; or
  - (c) Fifty-two and five-tenths (52.5) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a licensed

- psychological associate working under the supervision of a licensed psychologist.
- (5) The rate per unit for individual outpatient therapy, group outpatient therapy, or collateral outpatient therapy shall be:
- (a) Seventy-five (75) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Physician; or
    - 2. Psychiatrist;
  - (b) 63.75 percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by:
    - 1. An advanced practice registered nurse; or
    - 2. A licensed psychologist;
  - (c) Sixty (60) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Licensed professional clinical counselor;
    - 2. Licensed clinical social worker;
    - 3. Licensed psychological practitioner;
    - 4. Certified psychologist with autonomous functioning;
    - 5. Licensed marriage and family therapist;
    - 6. Licensed professional art therapist;
    - 7. Licensed behavior analyst; or
    - 8. Licensed alcohol and drug counselor; or
  - (d) Fifty-two and five-tenths (52.5) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Marriage and family therapy associate working under the supervision of a billing supervisor;
    - 2. Licensed professional counselor associate working under the supervision of a billing supervisor;
    - 3. Licensed psychological associate working under the supervision of a billing supervisor;
    - 4. Certified social worker working under the supervision of a billing supervisor;
    - 5. Physician assistant working under the supervision of a billing supervisor;
    - 6. Licensed professional art therapist associate working under the supervision of a billing supervisor;
    - 7. Licensed assistant behavior analyst working under the supervision of a billing supervisor;
    - 8. Certified alcohol and drug counselor working under the supervision of a billing supervisor; or
    - 9. Licensed alcohol and drug counselor associate working under the supervision of a billing supervisor.
- (6) The rate per unit for family outpatient therapy shall be:
- (a) Seventy-five (75) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Physician; or
    - 2. Psychiatrist;
  - (b) 63.75 percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by:
    - 1. An advanced practice registered nurse; or
    - 2. A licensed psychologist;
  - (c) Sixty (60) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
    - 1. Licensed professional clinical counselor;
    - 2. Licensed clinical social worker;

3. Licensed psychological practitioner;
  4. Certified psychologist with autonomous functioning;
  5. Licensed marriage and family therapist;
  6. Licensed professional art therapist; or
  7. Licensed clinical alcohol and drug counselor; or
- (d) Fifty-two and five-tenths (52.5) percent of the rate on the Kentucky-specific Medicare Physician Fee Schedule for the service if provided by a:
1. Marriage and family therapy associate working under the supervision of a billing supervisor;
  2. Licensed professional counselor associate working under the supervision of a billing supervisor;
  3. Licensed psychological associate working under the supervision of a billing supervisor;
  4. Certified social worker working under the supervision of a billing supervisor;
  5. Physician assistant working under the supervision of a billing supervisor;
  6. Licensed professional art therapist associate working under the supervision of a billing supervisor;
  7. Certified alcohol and drug counselor working under the supervision of a billing supervisor; or
  8. Licensed clinical alcohol and drug counselor associate working under the supervision of a billing supervisor.
- (7) Reimbursement for the following services shall be as established on the DMS Psychiatric Hospital Outpatient Non-Medicare Fee Schedule:
- (a) Mobile crisis services;
  - (b) Day treatment;
  - (c) Peer support services;
  - (d) Parent or family peer support services;
  - (e) Intensive outpatient program services;
  - (f) Service planning;
  - (g) Residential services for substance use disorders;
  - (h) Screening, brief intervention, and referral to treatment for a substance use disorder (SBIRT);
  - (i) Assertive community treatment;
  - (j) Comprehensive community support services;
  - (k) Therapeutic rehabilitation services; or
  - (l) Partial hospitalization.
- (8)
- (a) The department shall use the current version of the Kentucky-specific Medicare Physician Fee Schedule for reimbursement purposes.
  - (b) For example, if the Kentucky-specific Medicare Physician Fee Schedule currently published and used by the Centers for Medicare and Medicaid Services for the Medicare Program is:
    1. An interim version, the department shall use the interim version until the final version has been published; or
    2. A final version, the department shall use the final version.

#### Section 4. Outpatient Psychiatric Hospital Laboratory Services Reimbursement.

- (1) The department shall reimburse for an outpatient psychiatric hospital diagnostic laboratory service:
  - (a) At the Medicare-established technical component rate for the service in accordance with 907 KAR 1:028 if a Medicare-established component rate exists for the service; or

(b) By multiplying the statewide average in-state outpatient hospital cost-to-charge ratio by the psychiatric hospital's billed laboratory charges if no Medicare rate exists for the service.

(2) The department shall update the statewide average outpatient hospital cost-to-charge ratio effective July 1 of each year.

Section 5. Not Applicable to Managed Care Organizations. A managed care organization shall not be required to reimburse in accordance with this administrative regulation for a service covered pursuant to:

- (1) 907 KAR 10:020; and
- (2) This administrative regulation.

Section 6. Federal Approval and Federal Financial Participation.

(1) The department's reimbursement for services pursuant to this administrative regulation shall be contingent upon:

- (a) Receipt of federal financial participation for the reimbursement; and
- (b) Centers for Medicare and Medicaid Services' approval for the reimbursement.

(2) The coverage of services provided by a licensed clinical alcohol and drug counselor, licensed clinical alcohol and drug counselor associate, registered alcohol and drug peer support specialist, or certified prevention specialist shall be contingent and effective upon approval by the Centers for Medicare and Medicaid Services.

Section 7. Appeals. A psychiatric hospital may appeal a decision by the department regarding the application of this administrative regulation in accordance with 907 KAR 1:671.

Section 8. Incorporation by Reference.

(1) The "Psychiatric Hospital Outpatient Behavioral Health Fee Schedule", November 2015, is incorporated by reference.

(2) This material may be inspected, copied, or obtained, subject to applicable copyright law:

(a) At the Department for Medicaid Services, 275 East Main Street, Frankfort, Kentucky 40601, Monday through Friday, 8 a.m. to 4:30 p.m.; or

(b) Online at the department's Web site at <http://www.chfs.ky.gov/dms/incorporated.htm>.

(42 Ky.R. 2208; eff. 2-5-2016; Cert. eff. 1-30-2023.)