



Outpatient Mental Health Treatment Limitation – JA6686

Related CR Release Date: October 30, 2009

Date Job Aid Revised: November 24, 2009

Effective Date: January 1, 2010

Implementation Date: January 4, 2010

Key Words MM6686, CR6686, R60GI, R114BP, R1843CP, Outpatient, Mental, Health

- Contractors Affected**
- Medicare Carriers
 - Part A/B Medicare Administrative Contractors (A/B MACs)
 - Fiscal Intermediaries (FIs)

Provider Types Affected Physicians, clinical psychologists, clinical social workers, nurse practitioners, clinical nurse specialists, physician assistants, Rural Health Clinics (RHCs), Federally Qualified Health Centers (FQHCs), and Comprehensive Outpatient Rehabilitation Facilities (CORFs) who submit claims to A/B MACs, FIs, or carriers, for mental health services provided to Medicare beneficiaries



- Change Request (CR) 6686 alerts providers that the Centers for Medicare & Medicaid Services (CMS) is phasing out the outpatient mental health treatment limitation (the limitation) over a 5-year period (from 2010-2014).
- Effective January 1, 2014, Medicare will pay outpatient mental health services at the same rate as other Part B services (80 percent of the physician fee schedule).

- Provider Needs to Know...**
- Effective January 1, 2014, Medicare will pay outpatient mental health services at 80 percent of the physician fee schedule.

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- The current 62.5 percent outpatient mental health treatment limitation (effective since the inception of the Medicare Program until December 31, 2009) will be reduced as follows:
 - **January 1, 2010 – December 31, 2011**, the limitation percentage is 68.75 percent (of which Medicare pays 55 percent and the patient pays 45 percent);
 - **January 1, 2012 – December 31, 2012**, the limitation percentage is 75 percent (of which Medicare pays 60 percent and the patient pays 40 percent);
 - **January 1, 2013 – December 31, 2013**, the limitation percentage is 81.25 percent (of which Medicare pays 65 percent and the patient pays 35 percent); and
 - **January 1, 2014 – Forward** the limitation percentage is 100 percent (at which time Medicare pays 80 percent and the patient pays 20 percent).

Note: For RHCs and FQHCs, the amount the patient pays may differ from the percentages shown above if the charges are not equal to the encounter rate for the clinic.

Services Not Subject to the Limitation

- **Type of bill (TOB) 75x** - Since CORFs do not provide mental health therapeutic services, the limitation does not apply to CORF services.

Note: Current Procedural Terminology (CPT) code 96152 is the only CPT code allowed for behavioral health services provided in a CORF. This service is not subject to the limitation.

- **Diagnosis of Alzheimer's disease or Related** - When the primary diagnosis reported for a particular service is Alzheimer's disease or as an Alzheimer's related disorder, the Medicare contractor will look to the nature of the service that has been rendered in determining whether it is subject to the limitation.
 - Alzheimer's disease is coded 331.0 in the International Classification of Diseases, 9th Revision, which is outside the diagnosis code range 290-319 that represents mental, psychoneurotic, and personality disorders that are potentially subject to the limitation.
 - Typically, treatment provided to a patient with a diagnosis of Alzheimer's disease or a related disorder represents medical management of the patient's condition (such as described under CPT code 90862 or any successor code) and is not subject to the limitation. CPT code 90862 describes pharmacologic management, including prescription, use, and review of medication with no more than minimal medical psychotherapy.
 - However, when the primary treatment rendered to a patient with a diagnosis of Alzheimer's disease or a related disorder is solely psychotherapy, it is subject to the limitation.

Background

- Section 102 of the Medicare Improvements for Patients and Providers Act of 2008 amends Section 1833(c) of the Social Security Act (the Act) to phase out the outpatient mental health treatment limitation over a 5-year period, from 2010-2014.
 - The limitation has resulted in Medicare paying only 50 percent of the approved amount under the physician fee schedule for outpatient mental health treatment rather than 80 percent that is paid for most other services.
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**Operational
Impact**N/A

**Reference
Materials**

The related MLN Matters® article can be found at <http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM6686.pdf> on the CMS website.

The official instruction (CR6686) issued regarding this change may be viewed in three transmittals at <http://www.cms.hhs.gov/Transmittals/downloads/R60GI.pdf>, <http://www.cms.hhs.gov/Transmittals/downloads/R114BP.pdf>, and <http://www.cms.hhs.gov/Transmittals/downloads/R1843CP.pdf> on the CMS website.
