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# Program Memorandum Intermediaries

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Department of Health &  
Human Services (DHHS)  
Centers for Medicare &  
Medicaid Services (CMS)

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## CHANGE REQUEST 1798

**SUBJECT: Clarification of Activity Therapy (HCPC G0176) and Patient Education/Training Services (HCPC G0177) Under the Hospital Outpatient Prospective Payment System (OPPS)**

The purpose of this Program Memorandum (PM) is to provide hospitals with information related to the treatment of activity therapy and patient education and training under the OPSS.

Currently, activity therapy (G0176) and patient education and training (G0177) are not paid separately under OPSS. The definition of these codes limits coverage to services provided as a component of a partial hospitalization program. Activity therapy services include music, dance, art, or play therapies not for recreation, related to the care and treatment of patient's disabling mental health problems. Patient education and training services include training and educational services related to the care and treatment of patient's disabling mental health problems. Patient education and training services have been packaged into the overall costs associated with hospital outpatient psychiatric services; it is not a separately paid service. However, both of these services (activity therapy and patient education and training) will continue to be covered and paid when furnished as a component of a partial hospitalization program.

### Activity Therapy

Activity therapy services are not covered outside of partial hospitalization programs because it is the policy of CMS that activity therapy should be utilized only within the context of a structured and intensive treatment program, such as an inpatient treatment program or a partial hospitalization program.

Providers should **not** report G0176 or revenue code 904 **unless** billing under the partial hospitalization program. **Non**-partial hospitalization bills (those bills **not** containing condition code 41) submitted with revenue code 904 should be returned to the provider; where then revenue code 904 and/ or HCPCS G0176 should be removed and the bill re-submitted for payment.

### Patient Education and Training for Psychiatric Purposes

Hospitals should continue to bill for patient education and training services, as they are a packaged service. It is paid as part of covered **psychological services** furnished in OPSS. Hospitals bill for patient education and training services, **only for psychiatric purposes**, using revenue code 942 and G0177. We recognize that reporting G0177 on a non-partial hospitalization bill is not consistent with the definition for this HCPC, but reporting is necessary for the purpose of data analysis. When both the revenue code and G0177 are reported, it allows us to know that a psychological service is included in the services furnished and that it might be part of a partial hospitalization per diem day. Additionally, §3651 and 3661 of the Medicare Intermediary Manual require that providers report revenue code 942 and HCPCS code G0177 when specifying the service for psychiatric purposes only.

It is important for hospitals to continue to bill their charges for patient education and training for psychiatric purposes because these charges will be taken into account in determining outlier payments, transitional corridor payments, and future updates of the ambulatory payment classification (APC) payment rates for the services with which the education and training are furnished.

See §3651 and 3661 of the Medicare Intermediary Manual for billable codes under the partial hospitalization program.

The information in this PM should be included in your next regularly scheduled bulletin.

**The *effective date* for this PM is August 1, 2000.**

**The *implementation date* for this PM is September 14, 2001.**

**These instructions should be implemented within your current operating budget.**

**This PM may be discarded after August 2002.**

**If you have any questions, contact Jana Petze at ([Jpetze@cms.hhs.gov](mailto:Jpetze@cms.hhs.gov)).**