



Billing Requirements for Intensive Outpatient Program Services with New Condition Code 92

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Related Change Request (CR) Number: [CR 13496](#)

Implementation Date: January 2, 2024

Related CR Transmittal Number:
R12425BP and R12425GI

Related CR Title: Enforcing Billing Requirements for Intensive Outpatient Program (IOP) Services with New Condition Code 92

Affected Providers

- Hospital outpatient departments
- Critical access hospitals (CAHs)
- Community mental health centers (CMHCs)
- Other providers billing Medicare Administrative Contractors (MACs) for IOP services they provide to Medicare patients

Action Needed

Make sure your billing staffs know about:

- Reporting of new condition code 92 for all hospital and CMHC claims for IOP services
- Medicare manual changes related to providing IOP services

Background

Starting January 1, 2024, CMS will require the use of new condition code 92 on all IOP claims from hospitals and CMHCs. We finalized this change in the [CY 2024 Medicare Hospital Outpatient Prospective Payment System \(OPPS\) & Ambulatory Surgical Center \(ASC\) Payment System final rule](#). CR 13496 makes changes in Medicare General Information, Eligibility, and Entitlement Manual and the Medicare Benefit Policy Manual related to coverage of IOP services as of January 1, 2024.

[Section 4124 of the Consolidated Appropriations Act of 2023](#) established Medicare coverage and payment for IOP services for individuals with mental health needs provided by hospital outpatient departments, CAH outpatient departments, and CMHCs. The law establishes this new benefit for services provided on or after January 1, 2024.

Key Points

The important change to the Medicare Benefit Policy Manual is the addition of Section 70.4, Intensive Outpatient Services, to [Chapter 6](#). IOPs provide intensive psychiatric care through active treatment that uses a combination of the clinically recognized items and services described in Section 1861(ff) of the [Social Security Act](#).

An IOP provides treatment at a level more intense than outpatient day treatment or psychosocial rehabilitation, but less intense than a partial hospitalization program (PHP). We don't consider programs providing primarily social, recreational, or diversionary activities to be intensive outpatient programs.

Patients you admit to an IOP must be all of these:

- Under the care of a physician who certifies the need for IOP services.
- Need a minimum of 9 hours of services per week, as shown by their plan of care.
- Requires a comprehensive, structured, multimodal treatment requiring medical supervision and coordination, provided under an individualized plan of care, because of a mental disorder, including substance use disorder, which severely interferes with multiple areas of daily life, including social, vocational, and educational functioning.
- Be able to cognitively and emotionally participate in the active treatment process and tolerate the intensity of an IOP program.

Section 70.4 of the manual gives more details on IOP:

- Program criteria
- Patient eligibility criteria
- Covered services
- Reasonable and necessary services
- Reasons for denials
- Documentation and physician supervision requirements

Other revisions to the manuals are primarily to add IOPs to covered services, where appropriate.

More Information

CR 13496 is the official instruction for this change and it's in 2 transmittals:

1. Transmittal [R12425BP](#) updates the Medicare Benefit Policy Manual
2. Transmittal [R12425GI](#) updates the Medicare General Information, Eligibility, and Entitlement Manual

For more information, [find your MAC's website](#).

Document History

Date of Change	Description
December 21, 2023	Initial article released.

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