CABINET FOR HEALTH AND FAMILY SERVICES
DEPARTMENT FOR MEDICAID SERVICES

Steven L. Beshear
Governor

275 E Main St, 6W-A
Phone: (502) 564-4321
Fax: (502) 564-0509
Frankfort, KY 40621
www.chfs.ky.gov

Audrey Tayse Haynes
Secretary

Lisa D. Lee
Commissioner

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TO: Medicaid Providers
Physician (64) – Provider Letter #A-380
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Behavioral Health Service Organization (03) – Provider Letter #A-3
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Licensed Psychologist (89) – Provider Letter #A-10

RE: Policy Clarification
- Medication Assisted Treatment
- Charging the Recipient for Services

Dear Providers:

On January 1, 2014, the Department for Medicaid Services (DMS) expanded behavioral health services in the Medicaid Program as a result of provisions outlined in the Affordable Care Act for Medicaid expansion. Previously some behavioral health services were only covered for certain Medicaid eligibility groups. In order to implement the expanded services, DMS made many changes to existing regulations as well as created several new regulations. This letter is to clarify coverage of the treatment of primary substance use disorders through Medication Assisted Treatment and charging recipients for Medicaid covered services.

Medication Assisted Treatment

Medication Assisted Treatment (MAT) refers to the evidence based practice of combining the use of FDA-approved medications with behavioral therapies and adherence

monitoring to treat individuals with substance use disorders. Prior to January 1, 2014, DMS only covered behavioral therapies for primary substance use disorder treatment for pregnant women and children under the age of 21. It was not covered as a primary diagnosis for the rest of the Medicaid population. Effective January 1, 2014, DMS covers the buprenorphine containing medications and the behavioral therapies, medical office visits and follow-up that, when provided together, constitute Medication Assisted Treatment. The only exception is that the drug Methadone itself is not covered for substance use treatment. However, those recipients taking Methadone are eligible to receive the behavioral therapies and the other components of MAT required to treat their substance use disorder.

The Medicaid State Plan covers the individual components of MAT rather than as a bundled service under a single code. As such, DMS individually reimburses for the medically necessary office visits, screenings, behavioral therapies, counseling, and prescriptions provided. Please keep in mind that the Managed Care Organizations (MCOs) have flexibility in how they pay for and approve services. Therefore, it is important to understand how each MCO you contract with is paying for and authorizing the components of MAT.

For traditional Medicaid or those not in managed care, DMS is revising the prior authorization process to incorporate the recent Kentucky Board of Medical Licensure (KBML) regulations, 201 KAR 9:270, governing professional standards for prescribing or dispensing Buprenorphine-Mono-Product or Buprenorphine-Combined-with-Naloxone and to require evidence that the patient is receiving psychosocial and behavioral therapies in conjunction with the use of medication. DMS requires prescribers to follow KBML professional standards. In addition, DMS expects providers to use evidence-based best practices in the treatment of substance use disorders which meets the individual needs of their patients and includes an integration of physical and behavioral health.

Charging the Recipient for Services

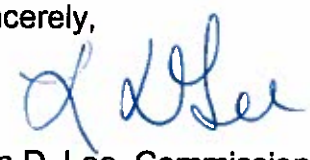
DMS made several revisions to 907 KAR 3:005, the regulation that governs the coverage of physician services in the Medicaid Program. One of the revisions involved clarification that a Medicaid recipient can only be charged if the service is a non-Medicaid covered service (See 907 KAR 3:005 Section 1(21) and (25) and Section 2(1)(a)(4) as amended). Therefore, a Medicaid provider who is providing a service that Medicaid covers must bill Medicaid for the service and cannot charge the recipient. DMS considers all services provided by a Medicaid provider to a Medicaid recipient to fall under this regulation regardless of where the services are provided even if at a location or for a company that may not be enrolled in Medicaid. In other words, a Medicaid provider cannot pick and choose whether the Medicaid provider is providing a service to a Medicaid recipient as a Medicaid covered service. Further, a non-Medicaid provider cannot bill for the services provided by a Medicaid provider.

For Medicaid providers who previously provided substance use disorder treatment and directly charged Medicaid recipients, since those services are now Medicaid covered services the recipient may no longer be charged. The regulation went into effect on March 6, 2015.

DMS is giving providers until April 1, 2015 to be in compliance. A provider who charges a Medicaid recipient for a Medicaid covered service may be subject to termination.

DMS created an email address for inquiries concerning behavioral health services. The address is DMS.Inquiries@ky.gov. Please direct any questions related to the information contained in this provider letter to that email address.

Sincerely,



Lisa D. Lee, Commissioner

cc: Mary Begley, Commissioner, Department for Behavioral Health, Intellectual and Developmental Disabilities

LDL/vljc