



HEALTH CARE
AUTHORITY

Michelle Lujan Grisham, Governor
Kari Armijo, Secretary
Dana Flannery, Medicaid Director

Letter of Direction #31

Date: November 14, 2024
To: Turquoise Care Managed Care Organizations
From: Dana Flannery, Director, Medical Assistance Division *DF*
Nick Boukas, Director, Behavioral Health Services Division *NB*
Subject: Intensive Outpatient Program (IOP) Medicaid Provider Payment Rates
Title: Rate Corrections for IOP Services

The purpose of this Letter of Direction (LOD) is to notify the MCOs of the rate correction for code H0015 and the inclusion of code S9480. IOP services billed with H0015 for substance use disorder (SUD) or S9480 for mental health are paid at a daily rate. To be eligible for the daily rate a minimum of three (3) hours of service must be provided.

Individual counseling for a diagnosis not treated in the IOP can be rendered on the same day as IOP. For example, if a client is in IOP for Alcohol Use Disorder and they need treatment for PTSD then a client could engage in IOP and individual work provided with different primary diagnoses on the billing forms.

Special instructions for IOP services provided to youth:

IOP services must be documented in the individual’s plan of care. A clinician may determine that fewer than 3 hours of service in a day is appropriate for youth. When this is the case the modifier HA should be added to the claim with HCPCS code S9480 or H0015 to designate that at least one and a half hours of service was provided.

Billing Requirements and Reimbursement

Procedure Codes:

CPT Code	Description	Units	Claim Form	Medicaid FFS Rate
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H0015	INTENSIVE OUTPATIENT (IOP) substance use disorder (SUD)	1	CMS-1500	\$269.80
S9480	INTENSIVE OUTPATIENT (IOP) Mental Health (MH)	1	CMS-1500	\$269.80
H0015 HA	IOP SUD for youth (at least 1.5 hours of service)	1	CMS-1500	\$202.35
S9480 HA	IOP MH for youth (at least 1.5 hours of service)	1	CMS-1500	\$202.35

- The facility NPI may be used in the rendering provider field as well as in the billing provider field.
- The rate is inclusive of IOP core services: individual therapy, group therapy, and psycho-education.
- For FQHC: Use the HCFA 1500 claim form using the appropriate HCPCS codes at the FFS or negotiated unit rate.
- IHS/638: UB Claim form; revenue code 0919 for OMB rate.
- For IHS, and Tribal 638: if preferring to utilize the fee schedule rates, the provider may contact the MAD Benefits and Reimbursement Bureau and all applicable MCOs.

Changes are effective October 1, 2024. MCOs are directed to implement changes associated with these instructions, including system changes and provider contract negotiations as needed no later than 60 days from the date of issuance of this directive. For any claims submitted after October 1, 2024 but not paid based on these parameters the MCOs are directed to adjust payments retroactive to October 1, 2024. The deadline to reprocess claims is November 30, 2024. HCA directs the MCOs to provide biweekly updates to HCA on the status of implementation every other Friday beginning October 11, 2024 until otherwise directed by HCA.

This LOD will sunset when direction is provided in one or more of the following: Turquoise Care Managed Care Services Agreement, Managed Care Policy Manual, NMAC, Systems Manual, or BHSD Billing and Systems Manual. The LOD may also sunset upon HCA notification or completion of the Turquoise Care Program.