



**Office of
Mental Health**

Reimbursement for Services Provided by OMH-licensed School-Based Mental Health Clinics

December 20, 2023

Background

- Effective January 1, 2024, Chapter 57 of the Laws of 2023 amended the Insurance Law to require commercial insurance plans to provide reimbursement for covered outpatient care when provided by a school-based mental health (SBMH) program licensed pursuant to Article 31 of the Mental Hygiene Law, regardless of whether the school-based mental health program participates in the issuer's provider network.
- Additionally, reimbursement for such covered care must be either at the rate negotiated with the provider or, in the absence of a negotiated rate, an amount no less than the Medicaid rate (aka "government rates").
- This presentation provides commercial plans guidance to facilitate compliance with the new requirements.
- The amendment to the Insurance Law, as well as this presentation, do not apply to Child Health Plus, Essential Plan, and Medicaid managed care coverage.



Medicaid Fee-for-Service (FFS) Reimbursement

- NYS Medicaid utilizes the APG system developed by the 3M corporation to calculate claims payments for OMH-licensed Article 31 Mental Health Clinics.
 - Note: Clinics are now called Mental Health Outpatient Treatment and Rehabilitative Services providers (MHOTRS). However, for this presentation we will continue to refer to them as Clinics; the title referred to in Insurance Law.
- APGs are a defined group of outpatient procedures, encounters or ancillary services grouped for payment purposes.
- In an APG payment environment, payments are determined by multiplying a dollar base rate (varies by peer group) by a weight that has been assigned for each procedure.



Peer Group Base Rates

- NYS Medicaid has assigned all Article 31 Clinic providers into one of eight peer groups and established a base rate for each. Providers within each peer group have a common base rate.
- OMH peer groups are differentiated by location and licensing status.
 - Upstate Hospital, Downstate Hospital, Upstate D&TC, Downstate D&TC, Upstate Freestanding, Downstate Freestanding, Local Governmental Unit (LGU), State Operated
 - Additionally, the base rate may be increased by a % amount if the provider participates in the OMH quality improvement initiative (curr. 3.84%, increasing to 5.7% w/DOB approval).
 - Link to provider-specific rates is available at the end of this presentation.



Procedure Code Weights and School-Based Mental Health (SBMH) Clinic Services

- APG procedure code weights are numeric values that reflect the relative expected resource utilization for each procedure as compared to all other procedures.
- All Article 31 clinic services that are reimbursed by Medicaid have been assigned a weight.
- Procedure weights are the same for all clinics regardless of peer group.
- SBMH satellite locations are provided a 25% rate increase to their peer group base for all services provided at the SBMH location.
- A list of all OMH allowable procedure codes, with their procedure weights, can be found on the OMH website (link provided on Resources slide).



Basic Example of Article 31 Clinic APG Rate Calculation

Downstate Freestanding Article 31 clinic participating in Quality Improvement initiative (QI) provides a 45-minute psychotherapy service (CPT code 90834) in a school-based location, date of service is 9/30/23:

- Downstate Peer Group Base Rate with QI (rate in effect 4/1/23) = \$189.21.
- SBMH clinic satellite locations receive a 25% base rate increase, raising the base rate to \$236.51.
- CPT 90834 has an APG procedure weight of .8275.
- Base Rate (\$236.51) * Weight (.8275) = Medicaid Reimbursement of \$195.71.



APG Payment Modifiers

- Reimbursement of Article 31 clinic services are further differentiated using payment modifiers. Some (not all) of the modifiers used for SBMH locations for certain services are shown below:
 - Modifier U4 - Language Other than English provided by clinic staff – 10% rate enhancement
 - Modifiers U1/U7 – Language Other than English provided by a contracted translation vendor – 35% rate enhancement
 - CPT 99051 - After hours – weight of .0759
- Information on all eligible modifiers can be found on pages 7-10 of the Part 599 OMH MHOTRS Medicaid Billing and Fiscal Guidance: https://omh.ny.gov/omhweb/clinic_restructuring/docs/mhotrs_billing_and_fiscal_guidance.pdf .



Billing Medicaid for Multiple Procedures on the Same Day

- NYS Medicaid reimburses for multiple behavioral health services provided in a day; commercial insurers must also reimburse for multiple services if they have been provided.
- Clinic providers may submit claims for up to three services per client, per day, not including crisis services.
- When multiple procedure codes are included on the same rate coded claim, the OMH-licensed Clinic will receive 100% reimbursement for the APG procedure with the highest APG weight and a 10% discount will be applied to each additional procedure with a lower APG weight.



How to ensure that Article 31 services provided in SBMH satellite locations are reimbursed correctly

- The APG system developed by the 3M corporation is available for purchase, but it is not required. The APG grouper pricer is updated monthly by 3M and includes all information necessary for accurate pricing, including provider base rates, weights and service location information.
- Plans may also develop their own pricing matrix using tools found on the OMH website.



Commercial Plan Resources

OMH has grouped all relevant information for commercial plans on our website at:

<https://omh.ny.gov/omhweb/bho/billing-services.html#commercial>

Information found here includes:

- Revenue calculator (both illustrated and blank)
- APG provider-specific base rates
- SBMH site list with billing information
- SBMH fee schedule (includes all potential procedure/modifier combinations to determine appropriate weights)
- Link to this webinar will also be available.



Commercial Plan Resources cont.

The information below regarding the 3M APG system is for informational purposes only, **purchase is not required**. To find out more about the 3M APG system visit the links below:

https://www.3m.com/3M/en_US/health-information-systems-us/drive-value-based-care/patient-classification-methodologies/enhanced-apgs/

<https://multimedia.3m.com/mws/media/18430210/3m-his-eapg-designed-for-todays-complex-ambulatory-environment-eguide.pdf>

or Contact: Business Development Management

3M Health Information Systems / Regulatory and Payer Solutions

3M Center, 223-1N-03 | St. Paul, MN 55144-1000 | United States|

Mobile: +1 651-253-7395

kwclark@mmm.com



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Questions

Any questions related to this presentation can be forwarded to the OMH billing mailbox:

medicaidffsbillinghelp@omh.ny.gov

