



State of New Jersey
Department of Human Services
Division of Medical Assistance & Health Services

NEWSLETTER

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TO: Independent Clinics- Drug and Alcohol – **For Action**
Health Maintenance Organizations – **For Information Only**

SUBJECT: Billing of Intensive Out-Patient (IOP) Services

EFFECTIVE: Immediately

PURPOSE: To Clarify the Administration and Billing of IOP Services

BACKGROUND: N.J.A.C. 10:66-2.3 states “Substance use disorder IOP services are bundled rehabilitative services designed to help clients change alcohol or drug use and related behaviors while receiving treatment in a licensed substance use disorder facility. This service consists of nine to twelve hours of service per week that are delivered at a minimum of three hours per day, for a minimum of three days per week.” For billing purposes, IOP services are paid in units which consist of three hours of individual counseling, group substance use disorder counseling, other group counseling or family counseling. A completed three-hour segment of service can be billed using one unit of H0015HF. Use of this code requires that the entire three hours of services be completed on the same date of service. Failure to complete the three hours of services results in an inability to bill for any part of the IOP services that were completed on that date. When IOP services are prior authorized and attempted, there shall be no unbundling of services provided. IOP services cannot be combined with individual outpatient rehabilitative services or partial care services. Therefore, individual services shall not be billed during the same week that IOP services are authorized and provided. As per N.J.A.C. 10:161B-10.1(g), IOP programs must include individual counseling once per week to be eligible for the bundled rate. If an IOP program provides three days of group substance use disorder, other group counseling or family counseling only, the required individual therapy shall be provided on an additional day within that calendar week and shall be included in the bundled rate. It shall not be billed separately.

IOP also requires that a minimum of three days per week be completed for services to be qualified as IOP. This stipulation does not prevent the billing for each properly completed three-hour day when an individual therapy is completed during the calendar week. Providers shall be paid for the units of service they successfully complete. This limitation applies to proper use of the American Society of Addiction Medicine (ASAM) guidelines. If a recipient is unable, or unwilling, to complete a minimum of three days of IOP per week, the recipient shall be reassessed for possible reauthorization at an

alternate level of care. This does not mean that failure to complete one week of IOP services automatically requires a reassessment. Providers should employ clinical judgement and examine the reasons why the recipient did not complete the required three days. Recipients who are unable to complete multiple days of therapy may be better served in an alternate level of care. In this case, the prior authorization for IOP should be termed to allow the individual to pursue outpatient services as needed.

If you have any questions concerning this Newsletter, please contact the Office of Customer Service at 609-588-2765.

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