

UNDERSTANDING HOW TO GET STARTED WITH MEDICAL ASSISTANCE BILLING IN PENNSYLVANIA

Pennsylvania providers often ask, “How can I access Medical Assistance to sustain our program?” and “What does being a Medical Assistance provider entail?” This Frequently Asked Questions document was created to help providers understand what it means to be a mental health provider in Pennsylvania and how to become a Medical Assistance provider, should M.A. be selected as a path to sustaining your evidence-based program.

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SOCIAL SERVICE PROGRAMS IN PENNSYLVANIA

1. What are social services?

“Social services” are broadly defined as organized efforts and services to advance human welfare. They are typically (but not always) provided by government and non-profit agencies, and they encompass a variety of domains including education, housing, health care, and more.

Some examples of social services in Pennsylvania include:

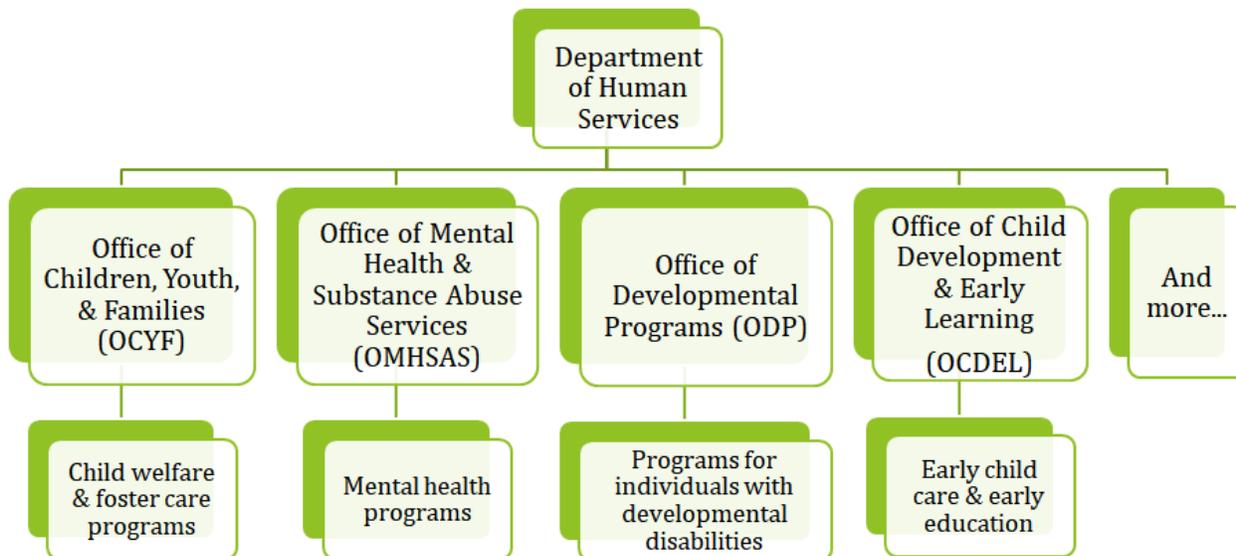
- Foster care and adoption services
- Parenting education and in-home parenting programs
- Truancy programs
- Victims services, such as rape crisis/sexual assault hotlines, advocacy and counseling, and domestic violence services
- Tutoring programs
- Mentoring programs
- Mental health treatment

2. Do social service programs have to be licensed by the state?

The requirements for social service programs largely depend on (1) how those services are funded, and (2) the type of service that is provided. Some social service programs do not provide a state-regulated service, so they are not licensed. Examples include mentoring and tutoring programs, among others. Victim services agencies, such as domestic violence services and rape crisis/sexual assault centers, are not licensed by the state, but have certain rules that come from funders (e.g., Pennsylvania Commission on Crime and Delinquency, Pennsylvania Coalition Against Rape).

Other social service programs deliver services regulated by the state. They are required to be licensed by the state and to comply with state regulations for the type of service the program provides. Within the Pennsylvania Department of Human Services, several offices license different types of social service programs. For instance, foster care programs are licensed by the Office of Children, Youth, and Families. Outpatient mental health clinics are licensed by the Office of Mental Health and Substance Abuse Services. Licensed programs must follow the applicable regulations in order to become and remain licensed.

The following chart illustrates several of the offices that fall under the Department of Human Services (DHS). Each office licenses specific types of programs, such as early childhood education programs, vocational facilities, adoption services, and psychiatric clinics.



Drug and alcohol programs are regulated by the Department of Drug & Alcohol Programs, not the Department of Human Services.

3. Can an organization or agency provide more than one type of social service?

Yes. In many cases, an organization offers multiple programs or services. These programs can fall into different categories, depending on how they are licensed, how they are funded, and the type of service the program provides.

4. Where do mental health programs/services fit into social services?

Mental health programs or services are one type of social service. These services focus on treating mental health issues, similar to how physicians and nurses treat physical health issues. Mental health services are provided by clinicians who are licensed by the Department of State or by agencies licensed by the Department of Human Services.

5. Which state department oversees mental health programs?

The answer to this question depends on whether one is asking about *licensure* or about general *funding*.

Mental health programs are generally overseen by the Office of Mental Health and Substance Abuse Services, particularly when the program is funded by Medical Assistance or the agency delivering the program is a licensed mental health agency.

Mental health care also can be provided by licensed clinicians, such as licensed psychologists or licensed clinical social workers. The Bureau of Occupational and Professional Affairs in the Department of State licenses individuals to provide professional services. The Department of

State and the Department of Human Services are separate departments—one licenses individuals while the other licenses organizations.

6. What does it mean to be a mental health program provider?

Please see the answer to this question, below.

OFFICE OF MENTAL HEALTH AND SUBSTANCE ABUSE SERVICES (OMHSAS)

7. What is the role of OMHSAS in Pennsylvania?

OMHSAS is an office within the Department of Human Services. OMHSAS oversees mental health services throughout the Commonwealth. It does this by licensing mental health programs, monitoring compliance with state and federal regulations, and developing policies and initiatives that guide mental health services. More information can be found on the DHS website:

<http://www.dhs.pa.gov/learnaboutdhs/dhsorganization/officeofmentalhealthandsubstanceabuseservices/index.htm>

8. How is OMHSAS structured?

OMHSAS is made up of several bureaus that work together. These include:

- [Bureau of Children’s Behavioral Health Services](#) - Develops and implements a comprehensive plan to ensure youth behavioral health needs are met. Engages in program and policy development, service monitoring, and collaboration with a wide range of stakeholders.
- [Bureau of Community & Hospital Operations](#) - Comprised of four regional field offices that handle the licensing of mental health services, oversee contracts between counties and their Behavioral Health Managed Care Organizations (BH-MCOs), and work with local county officials and other stakeholders.
- [Bureau of Financial Management & Administration](#) - Oversees budget planning and manages the M.A. Fee-for-Service (FFS) program, among other responsibilities.
- [Bureau of Policy, Planning, & Program Development](#) - Develops and revises policies related to mental health services, and oversees service system design and implementation, among other responsibilities.
- [Bureau of Quality Management and Data Review](#) - Ensures consumers receive high-quality services by providing data support, evaluating program quality and handling grievances.

9. What programs does OMHSAS oversee?

In general, OMHSAS oversees programs that are licensed by the state or funded by Medical Assistance.

MANAGED CARE ORGANIZATIONS (MCO) & HEALTHCHOICES

10. What is the role of Managed Care Organizations in Pennsylvania Medical Assistance?

According to the [DHS/HealthChoices website](#), “HealthChoices is the name of Pennsylvania’s managed care programs for Medical Assistance recipients.” Under HealthChoices, each of Pennsylvania’s counties contracts with Managed Care Organizations (insurance companies) to administer Medical Assistance benefits to county residents.

In each county, multiple Managed Care Organizations (MCOs) provide coverage for physical healthcare and one MCO provides coverage for behavioral healthcare. The latter is often referred to as a “BH-MCO” (often pronounced “bim-co” and short for Behavioral Health Managed Care Organization). The vast majority of M.A. recipients in Pennsylvania are covered by an MCO; there are a minority of recipients whose M.A. coverage is provided directly by the state.

Currently, five BH-MCOs handle Medical Assistance in Pennsylvania. Again, each county contracts with only *one* BH-MCO. The five BH-MCOs are:

- Community Behavioral Health (CBH)
- Community Care Behavioral Health (CCBH)
- Magellan
- PerformCare (formerly known as CBHNP)
- Value Behavioral Health

Medical Assistance recipients receive an insurance card for their medical MCO but not for their BH-MCO. As a result, when asked about their insurance coverage, many recipients will state the name of their medical MCO (such as Gateway or Amerihealth) and may not have even heard of their BH-MCO.

It is important to know that while each BH-MCO must follow certain state guidelines, each BH-MCO is its own company, with its own policies, procedures, and way of doing business. And, because the BH-MCO is contracted by the county to serve its residents, the rates paid and specific ways in which services are delivered may vary from county to county, even when the BH-MCO is the same.

More information can be found at <http://www.healthchoices.pa.gov/>

11. How do I know which BH-MCO covers my county?

Visit <http://www.healthchoices.pa.gov/info/about/behavioral/index.htm> for a list of BH-MCOs by county.

If you provide services in multiple counties, you may find that you are also working with multiple BH-MCOs.

COUNTY AGENCIES

12. What role does the county play in mental health services?

Each county has an Office of Mental Health/Intellectual and Developmental Disabilities (MH/IDD), which provides services for residents with serious mental illness (SMI) or IDD, such as case management, and funds behavioral health services under very specific circumstances. In order to obtain Medical Assistance funding for certain services, a provider may need to get approval from the county MH/IDD office.

Each county contracts with a BH-MCO to administer the Medical Assistance program to its residents. Some counties have a Health Choices coordinator who oversees this contract, while other counties work through a third party to provide the oversight. For instance, Capital Area Behavioral Health Collaborative manages the contract between PerformCare and five counties in the capital region, while Southwest Behavioral Health Management provides oversight of the contract with Value Behavioral Health on behalf of several counties in western Pennsylvania.

Because these county stakeholders play a key role in deciding the direction of mental health services within the county, it is critical that providers communicate with them when considering a new mental health service. This is especially important if the provider plans to pursue M.A. funding for that service. Communication should occur early and often. Ideally, providers should reach out to the county and HealthChoices coordinator *prior* to selecting a program.

13. Can counties pay for mental health services for children?

Yes, but there are typically very strict parameters on what is funded and under what conditions. Some examples of instances in which the county might pay for services include:

- Individuals without insurance may receive behavioral health services through agencies that are funded by the county. Typically, the county has an existing contract with certain agencies to provide these services.
- Often, the county child welfare agency and/or juvenile probation office provides limited funding for behavioral health services in the county's Needs Based Budget. However, the

county is always “the payer of last resort”; counties cannot pay for mental health services that could otherwise be covered by insurance. Therefore, the county funding is typically limited to paying for services for uninsured individuals or paying for services only until M.A. funding is authorized. Funding is provided on a very short-term basis, while the family actively pursues insurance. The county cannot pay for treatment simply to help a family with its insurance co-pays or deductible.

- Counties sometimes provide funding for uninsured children or to start services until M.A. can be secured for the youth. Most counties required that these youth have an active CYS or probation case, although some counties are more liberal with funding. Every county is unique. Providers should contact their local MH/IDD office and speak with the CASSP Coordinator (or Systems of Care Coordinator) and/or the MH/IDD Administrator.

It is important to keep in mind that the family must work with a provider with which the county contracts. Families cannot choose providers outside of those providers who have established contracts.

MENTAL HEALTH PROVIDERS

14. What does it mean to be a mental health provider?

In mental health services, the term “provider” is generally used to refer to an *organization or individual* that provides mental health services. Mental health providers treat mental health issues.

In order to provide mental health treatment in Pennsylvania, an individual must either have an appropriate professional license or work for an agency with a mental health license. This requirement helps to ensure public safety by requiring that providers of mental health care are appropriately educated and trained and adhere to certain standards of care. Mental health providers are licensed by the Office of Mental Health and Substance Abuse Services, if the provider is an organization, or by a professional board within the Department of State’s Bureau of Occupational & Professional Affairs, if the provider is an individual. (See #15, *What type(s) of licenses are required to be a mental health provider?*)

Mental health providers must adhere to specific regulations pertaining to his or her license. Depending on the type of license, there are ethical and professional standards to follow as well.

Many mental health providers accept insurance, which may be a primary source of funding. However, not all mental health providers accept insurance. *A mental health provider is defined by the service being provided (treatment of mental health issues), not how the service is funded.* When providers accept insurance, they must consider the “medical necessity” of the service

before billing insurance. Insurance companies do not pay for services unless they deem the service appropriate and necessary for the treatment of a diagnosed mental health condition.

15. What type(s) of licenses are required to be a mental health provider?

Two main categories of licensure apply to mental health providers. One category pertains to licensed *individuals* and the other pertains to licensed *programs*.

Licensed individuals can provide mental health services independently. They have completed specific requirements for education, training, and supervised clinical experience, and have passed a licensing exam. The requirements for licensure can be found in the state regulations pertaining to that license. These licenses are issued by professional licensing boards within the Bureau of Occupational & Professional Affairs in the Department of State. Examples include the Board of Psychology and the Board of Social Work, Professional Counseling, and Marriage & Family Therapy. Below is a very general overview of the degree and experience requirements for licensure as a mental health professional.

	Degree Requirements	Supervised Clinical Experience
Licensed Clinical Social Worker (LCSW)	Graduate degree in social work or social welfare	3,000 hours after graduation
Licensed Professional Counselor (LPC)	Graduate degree in professional counseling or a closely related field	Masters-level: 3,000 hours Doctoral-level: 2,400 hours
Licensed Marriage and Family Therapist (LMFT)	Graduate degree in a field related to marriage and family therapy	Masters-level: 3,000 hours Doctoral-level: 2,400 hours
Licensed Psychologist	Doctorate in psychology or a closely related field (Masters-level psychologists licensed before the early 1990s have been grandfathered in)	1,500-hour internship prior to graduation + 1,750 hours after graduation
Licensed Behavior Specialist <i>*Specific to the assessment & treatment of Autism Spectrum Disorders</i>	Graduate degree in any one of several human services-related fields + 90 hours of specific coursework from a program approved by the PA Bureau of Autism or the Behavior Analyst Certification Board	1,000 hours of experience with behavior challenges or autism spectrum diagnoses (no requirement regarding supervised experience); one year of experience with Functional Behavior Analysis

Licensed Social Workers (LSW) are currently recognized by some BH-MCOs and insurance companies, but this practice has been occurring less often in recent years. An individual must have a graduate degree in social work or social welfare in order to obtain an LSW, but no supervised clinical experience is required.

Licensed mental health programs are licensed by the Office of Mental Health and Substance Abuse Services (OMHSAS) within the Department of Human Services. The agency must comply with specific state regulations in order to obtain and keep the license. In most cases, the regulations require services to be overseen by a psychiatrist (a medical doctor) but do not require licensure by the individual clinicians working within the program.

In Pennsylvania, licenses for non-residential mental health programs include:

- Psychiatric outpatient clinic
- Partial hospitalization program
- Family-Based Mental Health Services (FBMHS)
- Intensive Behavioral Health Services (IBHS) – *This is a new license type. The final regulations for IBHS were approved in August 2019.*

The organizational licenses most applicable to evidence-based programs delivered in the community include Psychiatric Outpatient Clinic, which encompasses traditional office-based therapy, and IBHS, which encompasses programs delivered in the child’s home and community.

Family-Based Mental Health Services apply to a very specific family therapy program delivered in the child’s home and community; it does *not* include other family-focused services.

16. What rules and regulations apply to mental health providers?

The requirements that mental health providers must meet depend in part on what type of license the provider has and what type of funding they accept. However, several requirements apply to *all* mental health providers.

First, mental health providers must adhere to the regulations pertaining to their license. For instance:

- Psychologists must adhere to regulations from the State Board of Psychology.
- Social workers must adhere to regulations from the State Board of Social Work.
- Licensed psychiatric outpatient clinics must adhere to regulations for licensed psychiatric outpatient clinics.

The type of funding may add further requirements, since many funders have certain standards that providers must meet. For instance:

- If the provider accepts Medical Assistance payment, state and federal laws pertaining to M.A. must be followed. [PA Code Title 55](#) provides the regulations for human services, including the “Medical Assistance Manual.” These requirements are quite extensive.
- Providers who accept private insurance (e.g., Blue Cross/Blue Shield, Aetna, UPMC) must follow the contract with the insurance company and the requirements and policies in the company’s Provider Manual. For instance, there are typically requirements for covering urgent and emergent care situations, providing after-hours coverage, and timeliness of initial treatment plans.
- Providers who accept grant funding may have requirements tied to that grant.

Lastly, many state and federal regulations apply to all or nearly all mental health providers. Examples include the Health Information Portability and Accountability Act (HIPAA), Pennsylvania’s Mental Health Procedures Act, and the Child Protective Services Law, among others.

17. Do all mental health providers accept insurance?

No, not all mental health providers accept insurance. While the vast majority of licensed agencies do accept insurance, accepting insurance is not a defining feature of mental health providers. Many licensed individuals work in private settings and choose not to accept insurance.

18. What are “medical necessity criteria” (MNC)?

Medical necessity criteria are criteria used by insurance companies to indicate whether a certain service is necessary and appropriate to address an individual’s symptoms or diagnosis. For instance, if you went to your primary care provider complaining of flu-like symptoms, you might meet “medical necessity” for a flu test and a dose of Tamiflu, but not for surgery (which would not only be an extreme treatment, but also unlikely to help with your flu symptoms). Similarly, a 6-year-old presenting with ADHD symptoms might benefit from parent training in behavior management, but would likely not meet medical necessity criteria for a psychiatric hospitalization.

In mental health, there is a continuum of “levels of care.” These include but are not limited to:

- Office-based therapy
- In-home/In-community or “mobile” therapy
- Partial hospitalization programs
- Inpatient hospitalization or long-term residential care

Insurance plans put in place criteria for these different services or “levels” of care. The service or treatment provided should be appropriate for the problem-at-hand and be the least intrusive or least intensive service necessary. For Medical Assistance, the MNC for many services can be found in “[Appendix T](#).”

STEPS FOR SOCIAL SERVICE (NON-MENTAL HEALTH) **ORGANIZATIONS THAT WISH TO PURSUE M.A. FUNDING**

19. How do we determine whether the program we are implementing is considered a “mental health” program that could be eligible for M.A. or insurance funding?

At the simplest level, you need to consider whether the program offers treatment for mental health issues. Some evidence-based programs offer both *prevention* and *intervention* benefits, meaning that they not only help to address risk or protective factors for future problems but they also help to reduce existing problems. Would the individuals served by the program meet criteria for a mental health disorder? Does the program help to address that disorder? Given the level of care (e.g., outpatient services, home-based), would the service be considered “medically necessary” for the youth who are being served?

In addition, to obtain M.A. or insurance funding, the program will need to be delivered under an acceptable license. You will need to consider how your program is staffed and what license you have or could potentially obtain. Options might include:

- If your organization already has a mental health license, providing the program connected with that license.
- Considering an IBHS license, if the program delivers services in the home and/or community.
- Using staff who are individually licensed to provide clinical services and eligible for enrollment in HealthChoices (Medicaid managed care / BH-MCOs).
- Establishing a contract with an M.A.-enrolled, licensed clinician who will provide certain clinical services and independently document and bill insurance for the services provided. In other words, the clinician would work as an independent contractor with your agency.
- In some instances, providing services under the supervision of a licensed psychologist who is MA-enrolled may be an option. Most, if not all, of the five BH-MCOs allow licensed psychologists to bill for the services of a limited number of unlicensed individuals working under their supervision. Those unlicensed individuals must meet certain educational requirements—typically, graduate training in psychology. This may be an option for outpatient (office-based) group or individual therapy.

20. What do we need to consider before deciding to pursue M.A. funding? (licensing, regulations, billing, medical necessity)

Before deciding whether to pursue Medical Assistance funding for a program, a program should answer several questions:

- Could the program we are providing (or planning to provide) be considered mental health treatment? That is, does the program effectively address diagnosable mental health concerns? Would the children or teens being served meet the criteria for medical necessity?
- Is the program being delivered by licensed clinicians or a licensed agency?
- Is program leadership familiar with and knowledgeable about the applicable regulations? If not, is leadership willing to become knowledgeable and ensure the regulations are being followed?
- Does the program have a record-keeping system in place that is consistent with documentation standards for mental health services, including HIPAA? If not, does the program have the resources to put such a system into place?
- Does the program currently have the capacity to handle insurance credentialing and billing? If not, does it have the resources necessary to develop this capacity? Are there independent contractors who can assist with billing?
- If the service is going to be delivered in the home or community, how will the IBHS requirements for a face-to-face assessment by a licensed professional impact your service delivery?
- What other sources of funding are available for this program? Will the availability of those sources change, if we pursue M.A. funding?
- How will the factors listed above impact our organizational and program budget?

21. What steps do we need to follow if we decide to pursue M.A. funding?

If you decide that your program is a mental health program and that you wish to pursue M.A. funding, both *internal* and *external* steps need to be taken.

Internally, you will need to ensure that you have the infrastructure in place to support delivery of an M.A.-funded mental health service. This includes appropriate staffing for the program, knowledge of applicable regulations and a plan for ensuring compliance with those regulations, a system for clinical documentation, and a system for billing.

Externally, you will need to establish relationships with key stakeholders who will decide whether to support your request and assist you with moving forward. This includes:

- Find your regional **OMHSAS licensing office**, if you will be pursuing an agency license (e.g., outpatient psychiatric clinic, IBHS). Follow this link to find your regional office: <http://dhs.pa.gov/learnaboutdhs/helpfultelephonenumber/regionalmentalhealthsubstanceabusefieldoffices/index.htm>
- Get the support of your **county Mental Health office**, particularly if you are pursuing an agency license or a home or community-based program. In many instances, the BH-MCO requires a letter of support from the county MH/IDD office before approving a new service. Demonstrating that your program will fill an unmet or under-met need in your community will help you gain county buy-in and obtain a letter of support.
- Hold conversations with your local **BH-MCO** and **HealthChoices coordinator**, to determine whether it will fund your program and/or approve your licensed clinicians for enrollment with the local M.A. plan. The BH-MCO should then be able to provide you with guidance regarding what steps to take.

The EPISCenter Sustainability Checklist may also prove useful for identifying additional factors to consider.

STEPS FOR CURRENT MENTAL HEALTH PROVIDERS ADDING A NEW MENTAL HEALTH PROGRAM

1. Determine where the new program fits into the organization's existing licensure.
2. Determine startup costs vs. ongoing costs for the program.
3. Determine whether the new program can be sustained by billing Medical Assistance or if additional funding sources need to be explored.

This FAQ was created in October 2019.

For any questions related to the information in this document, please contact the EPISCenter: 814.863.2568 -or- EPISCenter@psu.edu

