



FINANCE  
245 LEPHILLIP COURT, NE  
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## PBH Finance Communication Bulletin

FY-0809-FN-64

To: PBH Community of Network Providers  
From: Renee Snipes – Finance Director  
Date: March 13, 2009  
RE: “Incident To” Billing Guidelines

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**Please review the following notification from the March 2009 Medicaid Bulletin concerning provisionally licensed professionals and “incident to” billing guidelines:**

**ATTENTION: Behavioral Health Providers, Board-eligible Professional Counselors, Local Management Entities, Marriage and Family Therapists in the Associate Licensure Status, Physicians, Provisionally Licensed Psychologists, Provisionally Licensed Social Workers, and Provisionally Licensed Clinical Addiction Specialists**

### **Behavioral Health Services Provided by Provisionally Licensed Professionals in Physician Offices**

Working with the Division of Mental Health, Developmental Disabilities and Substance Abuse Services, DMA has developed a proposal to allow for reimbursement for the services of provisionally licensed providers who work under the supervision of a physician. DMA will expand the “incident to” policy in order to allow physicians to bill for the services of provisionally licensed professionals. These provisionally licensed professionals are receiving clinical supervision approved by their respective licensing boards and are able to provide clinical services under supervision. They have completed their education and training and have passed or are preparing to take their respective licensing examinations. Physicians may employ or have a contractual agreement with these provisionally licensed providers and bill for their services utilizing the physician's Medicaid provider number.

Previously, providers were notified by North Carolina Division of Mental Health, Developmental Disabilities and Substance Abuse Services Implementation Updates # 43 and # 44 that effective July 1, 2008, physicians could bill for services of the provisionally licensed professionals listed below “incident to” the physician. The Implementation Updates also included billing guidelines to be used when billing for these services.

**This bulletin article supersedes any previously published information pertaining to billing for provisionally licensed professionals “incident to” physicians including that which was published in Implementation Updates #43 and #44.**

Effective July 1, 2008, the following professionals registered with their individual boards as provisionally licensed professionals can provide reimbursable services that can be billed “incident to” the services of a physician when the service is provided pursuant to the policy outlined in this bulletin article:

- provisionally licensed psychologists
- provisionally licensed social workers
- board-eligible professional counselors
- marriage and family therapists in the associate-licensure status
- provisionally licensed clinical addiction specialists

See the **Procedure Codes** section below for a list of services that the provisionally licensed professionals may provide and the CPT codes that may be used to bill for these services.

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## Rules and Requirements for Provisionally Licensed Professionals

1. In order for the provisionally licensed professionals listed above to provide services “incident to” a physician, all of the following must be true of the **provisionally licensed professional**.

- a. Must be employed by or have a contractual relationship with
  - (1) a physician (individual or group); or
  - (2) a behavioral health provider organization that employs a physician; or
  - (3) a behavioral health provider organization that contracts with a physician.

The behavioral health provider organization must demonstrate that it has been endorsed by the Local Management Entity (LME) to provide enhanced services. Additionally, the organization must have achieved national accreditation with at least one of the designated accrediting agencies within the organization’s accreditation guidelines. The organization must be established as a legally constituted entity capable of meeting all of the above. For additional information on enhanced services, service definitions, and exclusions, see [Clinical Coverage Policy 8A, \*Enhanced Mental Health and Substance Abuse Services\*](#).

- b. Must practice at the same site where the physician practices.
  - (1) Services provided by the provisionally licensed professional are intended to be primarily office-based.
  - (2) If clinically indicated, the provisionally licensed professional may deliver the service in locations such as a recipient’s home, school or office as long as the physician and the person providing clinical supervision both agree that the provisionally licensed professional has the skills to provide these services in locations outside the office and that the service location is clinically appropriate for the recipient.
  - (3) If the service location is outside the office, the physician must document approval in the recipient’s record, and the clinical supervisor must document approval in the supervision record.
- c. May provide only those services that have been determined to be medically necessary by the physician who is billing for the service and meets the requirements in #1a, above.
- d. Must adhere to all the rules of their respective boards relating to provisional licensure.
- e. Must provide only those services that are within the scope of practice for the applicable provisional licensure.

2. The physician billing “incident to”

- a. Must have a face-to-face visit with the recipient, on or before the first visit for which the provisionally licensed professional provides services, to determine or confirm medical necessity, if the physician does not already have an established relationship with the recipient. Documentation must be maintained by the physician to support medical necessity and the need for referral for outpatient therapy.
- b. Must be readily available to the provisionally licensed professional at all times. (This means readily available by phone and able to return to the office if the patient’s condition requires it. The physician does not have to be on the same premises; however, the premises must be the location where the physician practices, except as noted in #1b, above.)
- c. Must assume responsibility for the individual’s work.
- d. May, at his or her discretion, add additional requirements for the provisionally licensed professional above and beyond those specified by the individual licensing boards.

3. The physician, physician group or behavioral health organization billing “incident to” the physician must do the following:

- a. Verify licensure status and the length of time the provisionally licensed professional may have a provisional license upon hiring, and at least annually thereafter, to verify that the provisionally licensed professional remains provisionally licensed and in good standing with the respective board;
- b. Maintain documentation to support the verification process of all such licenses; and
- c. Verify and document who is providing the clinical supervision to the provisionally licensed professional and ensure that the provisionally licensed professional is receiving clinical supervision.

## Supervision

The physician is primarily responsible for the services delivered by any individual and billed “incident to” the physician’s services. Clinical supervision must be provided according to the requirements of the respective licensing board of each provisionally licensed professional. The provisionally licensed professional will need to arrange for a qualified clinical supervisor as determined by the respective board. The board-approved clinical supervisor assumes professional responsibility for the services provided by the provisionally licensed professional and spends as much time as necessary directly supervising services to ensure that recipients are receiving services in a safe and efficient manner in accordance with accepted standards of practice. The supervisor does not have to be on site unless a qualified on-site supervisor is a board requirement. However, the supervisor must be available by telephone while services are being provided. Documentation as required by the licensing board must be kept to support the clinical supervision provided in the delivery of medically necessary services.

## Billing Guidelines

Reimbursement requires compliance with all Medicaid guidelines. For billing instructions refer to

- [Clinical Coverage Policy 8C, Outpatient Behavioral Health Services Provided by Direct Enrolled Providers](#)
- [May 2005 Special Bulletin IV, Expansion of Provider Types for Outpatient Behavioral Health Services Phase II](#)

When a provisionally licensed professional is employed by or has a contractual relationship with a physician (individual or group), the services are “incident to” the physician and should be billed under the physician provider number. No supervisory fee can be billed by the physician.

Services rendered by a provisionally licensed professional cannot be billed for a patient receiving services provided by the ACT Team.

## Procedure Codes

Earlier publications listed the following codes – H0001, H0004, H0005, H0031 – for use by physicians billing for provisionally licensed professionals. Effective with dates of service May 1, 2009, use the designated CPT codes listed below rather than the H codes. The SC modifier must be appended to all CPT codes used to bill for the services of a provisionally licensed professional.

The table below lists the CPT codes that should be used (with modifier SC) instead of H0001, H0004, H0005, and H0031.

CPT Code	Description
90801	Psychiatric diagnostic interview examination
90802	Interactive psychiatric diagnostic interview examination using play equipment, physical devices, language interpreter, or other mechanisms of communication
90804	Individual psychotherapy, insight oriented, behavior modifying and/or supportive, in an office or outpatient facility, approximately 20 to 30 minutes face-to-face with the patient
90806	Individual psychotherapy, insight oriented, behavior modifying and/or supportive, in an office or outpatient facility, approximately 45 to 50 minutes face-to-face with the patient
90846	Family psychotherapy (without patient present)
90847	Family psychotherapy (conjoint psychotherapy) (with patient present)
90853	Group psychotherapy (other than a multiple-family group)
99408	Alcohol and/or substance (other than tobacco) abuse structured screening (eg. AUDIT, DAST), and brief intervention (SBI) services; 15 to 30 minutes
99409	Alcohol and/or substance (other than tobacco) abuse structured screening (eg. AUDIT, DAST), and brief intervention (SBI) services; greater than 30 minutes

HCPCS Codes	CPT Replacement Codes
H0001	Bill using CPT codes 99408 or 99409 with the SC modifier
H0004	Bill using CPT codes 90804 or 90806 with the SC modifier
H0004HS	Bill using CPT code 90846 with the SC modifier
H0004HR	Bill using CPT code 90847 with the SC modifier
H0004HQ	Bill using CPT code 90853 with the SC modifier
H0005	Bill using CPT code 90853 with the SC modifier
H0031	Bill using CPT codes 90801 or 90802 with the SC modifier

- Providers who have billed “incident to” the physician using H0001, H0004, H0005, and H0031 and have had their claims denied should resubmit their claims by May 1, 2009. Providers who have not submitted claims must also submit their claims by May 1, 2009.
- Effective May 1, 2009, all providers must bill for services provided by provisionally licensed professionals “incident to” the physician using the CPT codes with the SC modifier.
- Providers must always bill their usual and customary charges.

### Prior Approval

**Agencies that have contacted ValueOptions since July 1, 2008, for prior approval for the H0001, H0004, H0005, and H0031 will not be required to receive a new prior approval for CPT codes for dates of service provided prior to May 1, 2009. Prior approval is required using CPT codes with the SC modifier for dates of service effective May 1, 2009. While DMA understands that getting new prior approval for services already authorized may cause some additional hardship, this is the best alternative available to allow DMA to move forward with this implementation.**

Prior approval is required for services that exceed the limit of 8 visits each calendar year (for recipients 21 years of age and over) or 26 visits per calendar year (for recipients under 21). The ValueOptions Prior Approval Request Form must be completed by the provisionally licensed professional and signed by the physician billing “incident to.” For more information on prior approval refer to

- [Clinical Coverage Policy 8C, Outpatient Behavioral Health Services Provided by Direct Enrolled Providers](#)
- [May 2005 Special Bulletin IV, Expansion of Provider Types for Outpatient Behavioral Health Services Phase II](#)
- [ValueOptions](#)

Physicians who employ a provisionally licensed professional must read the [ValueOptions](#) information to ensure correct completion of the Outpatient Review Form (ORF2) for prior approval.

**EDS, 1-800-688-6696 or 919-851-8888**

- [Clinical Coverage Policy 8A, Enhanced Mental Health and Substance Abuse Services](#)
- [Clinical Coverage Policy 8C, Outpatient Behavioral Health Services Provided by Direct Enrolled Providers](#)
- [May 2005 Special Bulletin IV, Expansion of Provider Types for Outpatient Behavioral Health Services Phase II](#)
- [ValueOptions](#)

Thank you.

Cc: Network Operations Department  
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