



NATIONAL ASSOCIATION OF  
Community Health Centers



***Health Center Reimbursement for  
Behavioral Health Services in Medicaid***

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**State Policy Report #34**  
**Health Center Reimbursement for Behavioral Health Services in Medicaid**

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**NACHC Mission:**

To promote the provision of high quality, comprehensive and affordable health care that is coordinated, culturally and linguistically competent, and community directed for all medically underserved populations.

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## **Introduction**

This report, based on an assessment of state Primary Care Associations (PCAs), is an effort to provide the most current information regarding state Medicaid reimbursement for behavioral health services (mental health and substance abuse). The information is dynamic and changing rapidly. Understanding the current landscape regarding payment for behavioral health services will assist health centers and PCAs in planning efforts and in providing these services.

State Medicaid agencies are required by federal law to reimburse Federally Qualified Health Centers (FQHC) and Rural Health Clinics (RHC) for behavioral health services provided by a licensed clinical psychologist or licensed clinical social worker regardless of whether those services are included in the State Medicaid Plan so long as those practitioners are practicing within their scope of practice as defined by state law.<sup>1</sup> FQHCs should be aware of this requirement and if they are furnishing behavioral health services to Medicaid beneficiaries by eligible providers as defined in federal and/or state law, understand that they are entitled to adequate reimbursement for such services consistent with rates for other FQHC services.

Despite this requirement, payment for behavioral health services by state Medicaid agencies to FQHCs varies greatly across states. A number of states still do not pay for behavioral health and primary care services on the same day—a substantial barrier to providing these services in a timely and appropriate manner. Few states pay for Screening Brief Intervention and Referral to Treatment (SBIRT) even though health centers are increasingly being asked to provide more of these services. States have various mechanisms for payments including payment directly through the Medicaid program or “carving out” these services to other entities such as managed care organizations (MCO). Those that do not pay at the PPS rate use various other methodologies including the FQHC’s agreed-to alternative payment methodology (APM), fee for service, and wrap around payments. Some state Medicaid agencies pay neither directly through Medicaid nor through a carve-out to another entity.

In terms of workforce capacity, FQHCs would benefit greatly from an expanded definition of billable providers. As mentioned earlier, behavioral health services provided by a licensed clinical psychologist or a licensed clinical social worker, practicing within their scope of practice, may be

### **Methods**

- PCAs representing 47 states and the DC responded at least in part to the assessment.
- Tables 1-6 include the PCA responses.
- If a PCA did not respond to a specific part of a question that portion of the table is blank.
- If an entire question was skipped, that state is not included in the corresponding table.
- Percentages are based on the number of responses to a particular question.
- 3 states did not respond to the assessment: Delaware, Kentucky, and Maryland.

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<sup>1</sup> HRSA Program Information Notice 2004-05. <http://bphc.hrsa.gov/policy/2004-05.pdf>

reimbursed for providing these services to Medicaid beneficiaries. Several states do allow other types of providers to bill for behavioral health services furnished at FQHCs, such as physicians and mid-levels, licensed professional counselors, licensed mental health counselors, and licensed marriage and family therapists, but this also varies greatly across the country.

## **Summary of Findings**

### Substance Abuse Services

- 65% (26 of 40) of states pay health centers for substance abuse services directly through Medicaid.
- 33% (13 of 39) of states carve out substance abuse services to another entity; whether Health Centers are included in the managed care network varied state by state.
- 66% (27 of 41) of states paid for substance abuse visits on the same day as a medical visit.
- 53% (20 of 38) paid for substance abuse group visits.
- 54% (19 of 35) paid a PPS rate for substance abuse services. States paying for services at a non-PPS rate varied in the methodologies used and how those other rates are determined.
- 28% (10 of 36) of states have approved Screening Brief Intervention and Referral to Treatment (SBIRT) codes for use; of those 80% have activated the codes in their Medicaid system so that health centers can actually bill for and receive payment.

### Mental Health Services

- For mental health services, 81% (39 of 48) of states pay health centers directly through Medicaid.
- 51% (23 of 45) carve out mental health services to other entities like Managed Care Organizations, though health centers are not always included in such networks.
- 70% (32 of 46) of states pay for mental health visits on the same day as medical visits.
- 51% (23 of 45) pay for mental health group visits.
- 64% (30 of 47) of states pay PPS rates for mental health services. States paying for services at a non-PPS rate varied in the methodologies used and how those other rates are determined.

### Billable Providers

- In addition to licensed clinical psychologists and licensed clinical social workers, some states allow various licensed counselors (i.e. licensed professional counselors and mental health counselors), licensed marriage and family therapists, licensed clinical addictions specialists, physicians and mid-levels.

## **Tables**

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**Table 1. Substance Abuse Services: Payment Process**

	Does the state pay for substance abuse visits directly through Medicaid?	Does the state carve out substance abuse services to another entity e.g. a MCO?	
State:			If yes, are HCs in the managed care network?
AK	Yes	No	
AR	No	Yes	CHCs can apply to be certified as providers of substance abuse services
AZ	No	Yes	Regional Behavioral Health Authorities
CO	Yes	No	
CT	Yes	No	
DC	No	No	
FL	Yes	No	
GA	No	No	
HI	No	No	
ID	Yes	No	
IL	Yes	No	
IN	Yes	No	The real answer here is N/A; Medicaid contracts with MCOs to carry out health care services, including substance abuse services.
KS	No	Yes	
LA	No	No	
MA	Yes	No	
ME	Yes	Yes	No, FQHCs are exempt from the carve out to APS Health Care
MI	Yes	Yes	Yes, a few are
MN	Yes	No	
MO	Yes	No	
MS	Yes	No	
MT	Yes	No	
NC	Yes	No	
ND	Yes	No	
NH	Yes	Yes	Community Mental Health Centers
NJ	Yes	No	
NM	No	Yes	Yes -- But medical providers can only participate in the medical MCOs or the BH MCO.
NY	Yes	No	
OH	No	Yes	It is carved out to the Substance Abuse, Alcohol and Drug providers
OK	Yes	No	
OR	No	Yes	Some are many are not
RI	Yes	Yes	Yes
SC	No	No	
TN	Yes	No	

	Does the state pay for substance abuse visits directly through Medicaid?	Does the state carve out substance abuse services to another entity (e.g. a MCO)?	
State:			If yes, are HCs in the managed care network?
TX	Yes		
UT	No	Yes	No
VA	No	No	
VT	No	Yes	No
WA	Yes	No	
WI	Yes	Yes	
WY	Yes	No	
<b>Total</b>	Yes = 26 / No = 14 (Total = 40)	Y= 13 / N= 26 (Total = 39)	

**Table 2. Substance Abuse Services: Payment Methodology**

	Does the state pay for substance abuse visits on the same day as a medical visit?	Does the state pay for substance abuse group visits?	Does the state pay the PPS rate for substance abuse or another rate?	
State:				If another rate, what is it or how is it determined?
AK	No	Yes	PPS Rate	
AL	No			
AR	No	Yes	Another Rate	Negotiated contract rate with community based providers
AZ	No	No	Another Rate	
CO	No	No	Another Rate	APM rate if it is a qualifying visit. SBIRT will be paid FFS unless it is provided by a physician.
CT	Yes	No	PPS Rate	
DC	No	No		
FL	No	No	Another Rate	
GA	No	No		The State does not allow substance abuse reimbursement for CHCs
HI	No	No		
ID	Yes	No	PPS Rate	
IL	Yes	No	Another Rate	
IN	Yes	Yes	PPS Rate	
KS	Yes		PPS Rate	
LA	Yes	Yes	Another Rate	Grant program for substance abuse services; submit costs
MA	Yes	Yes	Another Rate	Fee schedule - substance abuse services are also covered by grants
ME	Yes	Yes	PPS Rate	

	Does the state pay for substance abuse visits on the same day as a medical visit?	Does the state pay for substance abuse group visits?	Does the state pay the PPS rate for substance abuse or another rate?	
State:				If another rate, what is it or how is it determined?
MI	Yes	Yes	PPS Rate	
MN	Yes	No	PPS Rate	
MO	No	No		
MS	Yes	No	PPS Rate	
MT	Yes	No	PPS Rate	
NC	Yes	Yes	Another Rate	Fee schedules are set per Substance Abuse service based on provider cost reporting or a percentage of a physician's fee schedule per similar service rendered.
ND	No	Yes	PPS Rate	
NE				
NH	Yes	Yes	Another Rate	Fee for service
NJ	Yes		PPS Rate	
NM	Yes	No	PPS Rate	
NY	No	Yes	Another Rate	The rate is determined by volume of visits and region the provider is located in.
OH	Yes	Yes	Another Rate	
OK	Yes	Yes	PPS Rate	State plans to prohibit PPS payment of group - cite Medicare
OR	Yes	Yes	PPS Rate	Through Wrap Around.

	Does the state pay for substance abuse visits on the same day as a medical visit?	Does the state pay for substance abuse group visits?	Does the state pay the PPS rate for substance abuse or another rate?	
State:				If another rate, what is it or how is it arrived at?
RI	Yes	Yes	Another Rate	Rate Schedule then reconciled at the end of the fiscal year following cost report filing
SC	No	No		
TN	Yes	Yes	Another Rate	Fee for Service
TX	Yes	No	PPS Rate	
UT	Yes	Yes	Another Rate	CHCs not involved. MCO paid capitated rate
VA	No	No	Another Rate	
VT	Yes	Yes	Another Rate	Fee for Service to state approved Medicaid SA providers
WA	Yes	Yes	PPS Rate	Please note--only 3 CHCs are approved as outpatient/inpatient substance abuse providers.
WI	Yes	Yes	PPS Rate	
WY	Yes	No	PPS Rate	
<b>Total</b>	Yes = 27 / No = 14 (Total = 41)	Yes = 20 / No = 18 (Total = 38)	PPS = 19 Another = 16 (Total = 35)	

**Table 3. Screening, Brief Intervention, and Referral to Treatment (SBIRT) Codes**

	Has the state approved SBIRT codes for use?	Has the state turned on the SBIRT codes in their Medicaid system so you can bill and receive payment?
<b>State:</b>		
AK	No	No
AR	No	No
CO	Yes	No
CT	No	No
DC	No	No
FL	No	No
GA	No	No
HI	No	No
ID	No	No
IL	No	No
IN	Yes	Yes
KS	No	No
LA	No	No
ME	No	No
MI	Yes	Yes
MN	No	No
MS	No	No
NC	Yes	Yes
ND	No	No
NH	No	No
NJ	Yes	No
NM	No	No
NY	No	No
OH	No	No
OK	Yes	Yes
OR	Yes	Yes
PA	No	No
SC	No	No
TN	Yes	Yes
UT	No	No
VA	Yes	Yes
VT	No	No
WA	No	No
WI	Yes	Yes
WV	No	No
WY	No	No
<b>Total</b>	Yes = 10 / N = 26 (Total = 36)	Yes = 8 / No = 28 (Total = 36)

**Table 4. Mental Health Services: Payment Process**

	Does the state pay health centers for mental health visits directly through Medicaid?		Does the state carve out mental health services to another entity e.g. a MCO?	
State:		Comments		If yes, are the health centers in the managed care network?
AK	Yes		No	
AL	No		Yes	Some
AR	Yes		Yes	State pays Value Options to coordinate providers' contracts. The Director of DHS Behavioral Health stated that FFS is paid to community based organizations and private providers that contract with state Medicaid
AZ	No		Yes	
CA	Yes	Yes, but counties can also contract with FQHCs for mental health services. These contracted services must be carved-out of the health centers PPS rates.	Yes	Yes, but the state pays health centers directly for a face to face encounter with the various mental health providers identified as core FQHC providers under state and federal law. Counties serve Medicaid beneficiaries that are "severely emotionally disturbed" and a few health centers do have subcontracts to provide care to this population.
CO	Yes	Some services are payable directly by the state with other medical services, others are payable by the BHO.	Yes	Not all CHCs have contracts with the Behavioral Health Organization in their area that holds the managed care contracts.
CT	Yes	Claims are processed by the State contractor HP Enterprise.	Yes	No managed separately in the Behavioral Health Partnership.
DC	Yes	through the wrap-around	Yes	Most everything is through managed care (except for a few on FFS)
FL	Yes		No	
GA	Yes		No	
HI	Yes		No	
IA	No		Yes	
ID	Yes		No	
IL	Yes		No	

	Does the state pay health centers for mental health visits directly through Medicaid?		Does the state carve out mental health services to another entity e.g. a MCO?	
State:		Comments		If yes, are the health centers in the managed care network?
IN	Yes		No	The real answer here is N/A; Medicaid contracts with MCOs to carry out health care services, including behavioral health.
KS	No		Yes	Yes
LA	Yes		No	
MA	Yes	Some Medicaid patients are paid directly under a Mental Health Fee Schedule - not PPS compliant. A few larger programs also receive DMH grant funding.	Yes	Yes. Their Medicaid PCC patients are in the state's contractor (Behavioral Health Management) network; for MCO patients, they are in the MCOs' managed care network.
ME	Yes		Yes	No, FQHCs are exempt from the contracted ASO (APS Health Care)
MI	Yes	Some directly from Medicaid and some through Medicaid Health Plans and Prepaid Inpatient Health Plans.	Yes	Yes
MN	Yes	Included as part of the "medical" PPS rate.	No	
MO	Yes		No	
MS	Yes		No	
MT	Yes		No	
NC	Yes		Yes	It also depends on the degree of mental health services that are needed.
ND	Yes		No	
NE	No		Yes	
NH	Yes		Yes	
NJ	Yes		No	
NM	No		Yes	Yes -- But medical providers can only participate in the medical MCOs or the BH MCO.
NV	Yes		Yes	
NY	Yes		No	
OH	Yes		No	
OK	Yes		No	
OR	No		Yes	

	Does the state pay health centers for mental health visits directly through Medicaid?		Does the state carve out mental health services to another entity e.g. a MCO?	
State:		Comments		If yes, are the health centers in the managed care network?
PA	Yes	MCOs pay fee schedule and then payment is reconciled with the PPS on quarterly wraparound settlement.	Yes	Health centers may contract with and be credentialed with a behavioral health managed care organization.
RI	Yes		Yes	Yes, the health centers are in the MCN
SC	Yes		No	
SD	Yes	If provided by an eligible provider		
TN	Yes		No	
TX	Yes			
UT	No		Yes	No
VA	Yes		No	
VT	Yes		No	
WA	No	Only for medical professionals not using mental health billing codes.	Yes	Some health centers are in the managed care network. Behavioral health provided through managed care is only available to patients who meet strict severity requirements.
WI	Yes		Yes	
WV	Yes			
WY	Yes		No	
<b>Total</b>	Yes = 39 No = 9 (T = 48)		Yes = 23 No = 22 (T = 45)	

**Table 5. Mental Health Services: Payment Methodology**

	Does the state pay for mental health visits on the same day as a medical visit?	Does the state pay for mental health group visits?	Does the state pay the PPS rate for mental health or another rate?	
State:				If another rate, what is it or how is it determined?
AK	No	Yes	PPS Rate	
AL	No	Yes	Another Rate	
AR	Yes	Yes	Another Rate	Pays the higher of the two ...PPS or Alternative Methodology
AZ	Yes	Yes	Another Rate	
CA	No	No	PPS Rate	
CO	No	No	Another Rate	APM (same as medical)
CT	Yes	Yes	PPS Rate	
DC	No	No	Another Rate	flat bundled
FL	No	No	Another Rate	blended
GA	No	No	PPS Rate	
HI	Yes	No	PPS Rate	
IA	No	No	Another Rate	Negotiated by the health center and managed care program
ID	Yes	No	PPS Rate	
IL	Yes	Yes	Another Rate	There is a separate PPS rate for non-medical behavioral health, e.g. provided by an LCP, LCSW or LCPC.
IN	Yes	Yes	PPS Rate	
KS	Yes		PPS Rate	
LA	No	Yes	PPS Rate	
MA	Yes	Yes	Another Rate	State fee schedule for some Medicaid patients; negotiated Network payments
ME	Yes	Yes	PPS Rate	
MI	Yes	Yes	PPS Rate	

	Does the state pay for mental health visits on the same day as a medical visit?	Does the state pay for mental health group visits?	Does the state pay the PPS rate for mental health or another rate?	
State:				If another rate, what is it or how is it determined?
MN	No	No	PPS Rate	
MO	Yes	No	PPS Rate	
MS	Yes	No	PPS Rate	
MT	Yes	No	PPS Rate	
NC	Yes	No	PPS Rate	
ND	No	Yes	PPS Rate	
NE	No	No	Another Rate	
NH	Yes	Yes	Another Rate	Fee for service
NJ	Yes	No	PPS Rate	
NM	Yes	No	PPS Rate	
NV	Yes	No	PPS Rate	
NY	No	Yes	PPS Rate	There are some exceptions to this.
OH	Yes	Yes	Another Rate	Cost reports - Ohio has a different PPS rate for each type of service (BH, dental, medical, etc)
OK	Yes	Yes	PPS Rate	State planning to remove group PPS payments - cite Medicare.
OR	Yes	Yes	PPS Rate	Through Wrap Around
PA	Yes	Yes	PPS Rate	
RI	Yes	No	PPS Rate	
SC	Yes	No	Another Rate	APM
SD			PPS Rate	
TN	Yes	Yes	Another Rate	Fee for Service, but TPCA is currently advocating for PPS
TX	Yes	No	PPS Rate	

	Does the state pay for mental health visits on the same day as a medical visit?	Does the state pay for mental health group visits?	Does the state pay the PPS rate for mental health or another rate?	
State:				If another rate, what is it or how is it determined?
UT	No	Yes	Another Rate	State does not include CHCs in Medicaid mental health. MCOs paid on capitated rate
VA	Yes	No	Another Rate	pays at a reduced rate based on costs for certain codes
VT	Yes	Yes	Another Rate	Part of APM rate calculation
WA	Yes	Yes	PPS Rate	Only for mental health provided by CHCs enrolled with behavioral health managed care entity.
WI	Yes	Yes	PPS Rate	
WY	Yes	No	PPS Rate	
	Yes = 32 / No = 14 (Total = 46)	Yes = 23 / No = 22 (Total = 45)	PPS = 30 Another = 17 (Total = 47)	

**Table 6. Substance Abuse and Mental Health Services Billing**

<b>State: (N=36)</b>	<b>What type of licensed professionals can bill for mental health or substance abuse services in your state?</b>
AK	LCSW, clinical psychologist, physicians, physician assistants, nurse practitioners
AR	Licensed Professional Counselors; Licensed MSW, Social Workers, RNs, Board Eligible Psychiatrists, Psychologists
CO	On the medical side, physicians and mid-levels. Via the BHO carve out, other professionals may bill.
CT	All--ACSW, APRN,MD.
DC	Psychiatry, Psychology, Licensed Counselors, Licensed Clinical Social Workers
GA	Only mental health services by LCSWs in CHCs
ID	LCSW, MSW, LMHC
IL	LCP, LCSW and LCPC
IN	Physician and an HSPP
KS	LCSW, psychologists, psychiatrists
LA	LCSW, Psychologist, Psychiatrist for mental health and substance abuse. Unfamiliar with SBIRT.
MA	Psychiatrists, psychologists, LICSW, LCSW, psych RN
ME	Physicians, physician assistants, advanced practice registered nurses, clinical psychologists, licensed clinical social workers, and licensed clinical professional counselors. Qualifications of any other staff must be provided and billed in accordance with all other applicable sections of the MaineCare Benefits Manual
MI	While all licensed professionals can provide the care, currently they can only be billed under a physician NPI directly to Medicaid. The health plans have ability to credential other licensed mental health providers.
MS	Psychiatrist, Mental Health Counselors, Clinical Social Workers, Psychologist
MT	MD, NP, PA, MSW, LCSW
NC	Licensed Psychologist, Licensed Psychological Associate, LCSW, LPC, Licensed Marriage and Family Counselor, Certified Nurse Practitioner, Certified Nurse Specialist, Licensed Clinical Addictions Specialist, Licensed/Certified Clinical Supervisor, & Provisionally-Licensed professionals billing incident to a physician
ND	LAC; Clinical Psychologists; LICSW; NP; LPC
NH	LCSW; Psychologists; Psychiatrists; Medical Service Clinics
NJ	Psychiatrists, psychologists, advanced practice nurses, LCSW.
NM	Psychiatrists, Psychologists, Licensed Independent Social Workers
NY	LCSW, Psychologist, Psychiatrist, Psychiatric Nurse Practitioner

State: (N=36)	What type of licensed professionals can bill for mental health or substance abuse services in your state?
OH	For MH services, a clinical psychologist or advanced practice nurse certified by a national-certifying organization in the specialty of psychiatry, and services provided by a licensed social worker, clinical social worker, professional counselor, professional clinical counselor (psychiatrists are considered medical providers under Ohio PPS)
OK	As direct state contractors: Psychiatrists, Licensed clinical psychologists, LCSWs, recently added LPCs, LADCs, LMFTs, LBPs, certain appropriately trained medical practitioners. All presently allowed in FQHCs.
OR	All recognized by the state as FQHC providers
PA	FQHCs can only bill PPS for those services provided by a psychiatrist, licensed clinical psychologist and licensed clinical social worker.
RI	LICSW, MD, PhD psychologist, LMHC
SC	Licensed Psychologist, Licensed Professional Counselor, Licensed Marriage and Family Therapist, and Licensed Independent Social Worker — Clinical Practice
TN	According to Blue Cross Blue Shield any credentialed provider such as Psy.D., LPE, Senior LPE. LCSW, LPC, LMFC
UT	LPC, LCSW, MD, NP
VA	MD; Ph.D. Psychologist; LCSW
VT	Mental health services provided by a clinical psychologist, clinical social worker, advanced practice nurse certified by a national certifying organization in the specialty of psychiatry, or a professional counselor.
WA	Response relates to CHCs only. Children's mental health: psychiatrist, psychologist, social worker, ARNP, marriage and family therapist, mental health professionals. Adult mental health in CHCs: psychiatrist, ARNP, PA only for medical billing codes.
WI	MSWs and psychiatrists, health educators under supervision from a credentialed provider
WV	LICSW- PhD Psychologists (Medicaid) Third party accepts other