| UTILIZATION MANAGEMENT | | | |
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| | APSHealthCare. | **Effective Date**<br>12/29/2023 | **Owner**<br>VP Medical Affairs |
| | | **Policy Number**<br>UM 15 | **Most Recent Revision Date**<br>4/30/2024 |
| | **Partial Hospitalization Program (PHP) Medical Necessity** | **Annual Reviews (Past 3 yrs.)** | **Approved By**<br>VP Medical Affairs<br>**Regulatory Elements** |
| | Applicable Products: ☐ Medicaid ☒Medicare ☐ Commercial | | |
| | Approvers Name (Printed): Jose L. Massa, MD | | |
| | Approver's Signature:  | | |
| | References:<br>Partial Hospital Behavioral Health Level of Care (PHP) ORG: B-901-PHP (BHG). MCG Behavioral Health Care Guideline 27th Edition.<br>Centers for Medicare & Medicaid Services (CMS). Medicare Benefit Policy Manual, Chapter 6 – Hospital Services Covered Under Part B, Section 70.3–Partial Hospitalization Services (Rev. 12425; Issued: 12-21-23: Effective: 01-01-24; Implementation: 01-02-24). https://www.cms.gov. Published October 1, 2003. Updated December 31, 2020. Accessed September 7, 2023.<br>The Joint Commission. (2024). Standards for Behavioral Health Care. JointCommission.org. | | |

## 1.0 POLICY

1.1. APS is dedicated to ensuring that our members receive compassionate, effective, and individualized care through Partial Hospitalization Services (PHP). This service intended for mental health also encompasses substance use disorders (SUD). Our quality assurance and compliance practices are designed to ensure that each member receives the highest standard of care while adhering to all regulatory requirements. By continuously monitoring and improving our services and provider network, we strive to achieve optimal outcomes and foster recovery for all our members, ensuring integrity, compliance, and excellence in all our operations.

1.2 APS requires that our members receive the highest quality psychiatric care through Partial Hospitalization Services (PHP). We adhere strictly to the Centers for Medicare & Medicaid Services (CMS) guidelines to maintain the highest standards of care, regulatory compliance, and ethical integrity. All contracted providers adhere to federal, state, and local regulations and guidelines governing PHP services. To achieve this:

1.2.1 An initial prospective utilization review is required to confirm that PHP services are medically necessary, and care is appropriate to member's needs to:

1.2.1.1 Ensure that contracted providers offer structured, multi-disciplinary therapeutic environments, including individual, group, and family therapy, as well as medication management, meeting the required minimum for a PHP.

1.2.1.2 Review clinical documentation for each member from providers.

1.2.1.3 Review clear criteria for admission and discharge, ensuring appropriate member transitions and continuity of care.

1.2.1.4 Establish compliance and quality monitors to detect and address any deviations from regulatory standards or quality of care issues promptly.

1.3 Guidelines are required to provide the latest evidence-based information from recognized organizations for service requests under utilization management (UM) review.

1.4 They are not intended to dictate provider's practices; serve as references.

1.5 Does not supersede state or federal laws, including Medicare directives including CMS National Coverage Determinations or applicable Local Coverage Determinations.

1.6 CMS rule includes provisions related to Non-Quantitative Treatment Limitations (NQTLs) under the Mental Health Parity and Addiction Equity Act (MPHEA).

1.6.1 For psychiatric partial hospitalization programs (PHP), the rule emphasizes structured, intensive psychiatric care through active treatment. PHPs must offer a multidisciplinary approach with physicians, psychologists, or other mental health professionals authorized or licensed by the state in which they practice (e.g., licensed clinical social workers, mental health counselors, marriage and family therapists, clinical nurse specialists, certified alcohol and drug counselors) for services such as psychotherapy, occupational therapy, and family counseling, among others. The treatment must be individualized, medically necessary, and aimed at improving the member's condition and preventing relapse or hospitalization.

1.6.2 In the absence of Medicare guidance, APS uses accepted standards and clinical guidelines.
1.6.3 In interpreting or supplementing the criteria above and in order to determine medical necessity consistently, APS uses MCG Guidelines.
1.6.4 This guideline supports our team and offers the latest evidence- based information from nationally recognized organizations for service requests under UM review.
1.6.5 APS will utilize accepted guidance based on prevailing medical practice standards and clinical guidelines supporting our determinations regarding specific services in conjunction with adhering to Medicare's reasonable and necessary requirement such as the MCG Guidelines.

1.7 Healthcare providers are expected:
1.7.1 To offer evidence-based care, respecting member's autonomy, and considering the least restrictive, evidence-based options.
1.7.2 Must assess the suitability of these guidelines in individual member's scenarios with a member-centered approach.
1.7.3 Be familiarized with the guidelines as they are designed to provide information and assist decision making.
1.7.4 For PHP purposes the following documentation and physician supervision is required:
1.7.4.1 A physician must certify that the patient would need inpatient psychiatric care without PHP and requires at least 20 hours of weekly services.
1.7.4.2 The certification must include the diagnosis and clinical need, and a written plan of care detailing necessary treatments to manage serious psychiatric symptoms and prevent relapse or hospitalization.
1.7.4.2.1 Signature: Must be signed by the treating physician familiar with the patient's treatment response.
1.7.4.2.2 Content: Must confirm the need for PHP to avoid hospitalization, describe the patient's response to treatment, ongoing psychiatric symptoms, and outline goals for discharge planning.

1.8 Guidelines do not:
1.8.1 Endorse specific services
1.8.2 Intend to define a standard of care
1.8.3 be interpreted as prescribing an exclusive course in management.

1.9 The APS UM Committee retains the right to update these guidelines as the field progresses.

## 2.0 DESCRIPTION

### 2.1 PSYCHIATRIC PARTIAL HOSPITALIZATION OVERVIEW

2.1.1 Offers intensive outpatient care for profound mental health conditions.
2.1.2 Structured program, less than 24 hours a day.
2.1.3 Tailored, coordinated, and multidisciplinary care.
2.1.4 Gap filler in regular outpatient settings.
2.1.5 Often offered by hospitals or community mental health centers.
2.1.6 Aims to prevent inpatient care by providing specialized ambulatory care.

### 2.2 MEDICARE PSYCHIATRIC PARTIAL HOSPITALIZATION BENEFIT

2.2.1 Requires admission and certification by qualified psychiatrists or physicians.
2.2.2 Lacks 24-hour observation operates as intensive day programs.

### 2.3 DIFFERENCES FROM INPATIENT CARE

2.2.1 Varied treatment intensity and member participation frequency.
2.3.2 Comprehensive, personalized treatment plans involving physicians, multidisciplinary teams, and the members.

### 2.4 TARGET MEMBERS FOR PARTIAL HOSPITAL PROGRAMS

2.4.1 For voluntary members with acute manifestations but not needing 24hour care.
2.4.2 Represents a less restrictive alternative to inpatient care.
2.4.3 Suitable for members with community support, safe in their home environment.
2.4.4 Serves as a step-down level of care for those previously receiving intensive services.

### 2.5 PROGRAM FORMATS

2.5.1 Partial hospital programs (day hospitals): 6 to 8 hours/day, 5 to 7 days/week for a minimum of 20 hours a week.
2.5.2 Staffed similarly to an inpatient unit's day shift.

### 2.6 DIFFERENCES FROM INTENSIVE OUTPATIENT PROGRAMS

2.6.1 Provide 3 to 4 hours of treatment, 1 to 4 days/week (6 to 12 hours/week).

2.6.2 Sometimes in a group format.
2.6.3 For treatments with demonstrated efficacy not available in standard settings.

### 2.7 MAINTENANCE CARE

2.7.1 Consists of psychopharmacologic, psychosocial, and/or other treatments.
2.7.2 Provided in offices, clinics, or other settings (including telehealth at home).
2.7.3 Aims to prevent exacerbation or relapse of stable mental conditions.

## 3.0 PHP ADMISSION CRITERIA

3.1 Eligibility for Partial Hospital Program (PHP) Services covered requires:

3.1.1 A reasonable expectation that services will improve or maintain the member's condition and functional level and prevent relapse or hospitalization.
3.1.2 A need for active treatment to maintain functionality and prevent relapse or hospitalization.
3.1.3 Cognitive and emotional capability to actively participate in treatment and tolerate the intensity of a PHP program.

3.2 Examples of PHP admission criteria include (but are not limited to):

3.2.1 Members who are discharged from inpatient hospital treatment and choose a Partial Hospitalization Program (PHP) instead of continuing inpatient care must show a need for the acute, intensive, and structured services that PHP offers to facilitate a smooth transition and minimize the risk of relapse.
3.2.2 Members must demonstrate a need for the active treatment provided at the PHP level of care.
3.2.3 The mental health or SUD condition's risk or severity must be suitable for PHP.
3.2.4 There must be straightforward evidence of dangerousness to self or others, or property due to hallucinations that cannot be managed in a less intensive level of care than PHP.
3.2.5 Additionally, the member’s support network may be unavailable, inappropriate, or the member’s functioning may be compromised due to the lack of such support.
3.2.6 Moderate dysfunction must be suitable for PHP treatment, taking into account the intensity of the diagnosed condition's symptoms and the impact of comorbid conditions that cannot be managed in a less intensive level of care and do not interfere with the PHP.
3.2.7 Members must also have the need for the active treatment provided by the program.
3.2.8 PHP offers diagnosis and intensive treatment for serious psychiatric

conditions, aiming to improve or maintain the member's condition, functionality, and prevent relapse or hospitalization.

3.2.9 Evidence is required to justify continued PHP treatment for stable psychiatric conditions, showing that less intensive options are insufficient in preventing hospitalization such as intensive outpatient programs, or service that provide the level of support necessary to maintain the member stability and to prevent. hospitalization.

3.2.10 Members in PHP do not need 24-hour supervision as in inpatient settings and should have adequate external support.

3.2.11 Members admitted to a PHP have an acute onset or decompensation of mental or SUD disorder, as defined by the current edition of the Diagnostic and Statistical Manual (DSM) published by the American Psychiatric Association (APA) or listed in Chapter 5 of the most current edition of the International Classification of Diseases (ICD).

3.2.12 The disorder severely interferes with multiple areas of daily life.

3.2.13 The degree of impairment will be severe enough to require multidisciplinary intensive, structured program, but not so limiting that members cannot benefit from participating in an active treatment program.

3.2.14 The treating physician must certify the need for the structured combination of services provided by the program.

3.2.15 Active treatment is required to appropriately treat the member’s presenting psychiatric condition.

## 4.0 PHP DISCHARGE CRITERIA

4.1 Member refuses the treatment

4.2 Sufficient patient stabilization or improvement to continue services in an available lower level of care.

4.3 Members and their supporters understand the follow-up treatment and crisis plan.

4.4 Absence of suicidal, homicidal, or severe self-harm thoughts.

4.5 No significant impairment of essential functions.

4.6 No active medical needs or manageable/treatable at a lower level of care.

4.7 Member conditions have deteriorated, and more intensive services are required.

4.8 Using these criteria in the Medicare Advantage Medical Coverage Policy ensures the likelihood of clinical benefits outweighing harms. Services not meeting these criteria lack medical necessity, offering no clinical benefit and carrying potential risks of adverse outcomes, potentially hindering the pursuit of proven effective treatment.

## 5.0 NON-COVERED SERVICES

5.1 Medicare does not cover the following services under PHPs:

5.1.1 Meals and transportation to/from the program.

5.1.2 Supportive services such as socialization activities.

5.1.3 Vocational training and job placement services.

5.1.4 Services provided by family members or unlicensed professionals.