

**DEPARTMENT OF HEALTH**

Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Robert R. Neall, Secretary

**MARYLAND MEDICAL ASSISTANCE PROGRAM  
Psychiatric Rehabilitation (PT PR) Program Transmittal No. 02  
November 18, 2019**

TO: Psychiatric Rehabilitation Programs

FROM: Jill Spector, Director  
Medical Benefits Management

Lisa Burgess M.D., Acting Deputy Secretary  
Behavioral Health Administration

RE: Claims Submission (Update to Transmittal PT 06-20)

**Note: Please ensure that appropriate staff members in your organization are informed of the contents of this memorandum.**

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Effective January 1, 2020, the Maryland Department of Health (MDH) is changing the billing and reimbursement policy for Psychiatric Rehabilitation Programs (PRPs). This policy change will assist the Medicaid program and providers in addressing a growing trend of providers submitting PRP claims before the required services have been rendered. Providers may not submit claims for services before those services have been rendered.

In response to concerns expressed by providers regarding the change in the billing and reimbursement policy announced in PT 06-20 (dated 9-24-2019), MDH is modifying the process to prevent PRP claims from being submitted until the minimum number of authorized encounters is met for the applicable level of billing for the month. Providers may submit claims once monthly for this service **and the submission must occur after the provider has met the minimum threshold to support the claims payment.**

The incoming ASO, Optum, has confirmed that its system will accommodate multiple encounters on a single claims submission. The claim system will reconcile the number of encounters submitted in a claim to the level of service authorized and will adjudicate the claim for the maximum reimbursement associated with the number and type of encounters submitted. If the number of encounters submitted by the provider is lower than the number authorized, the provider will receive a “cascaded” reimbursement equivalent to the actual level of service provided. Providers will not be able to bill for additional encounters until the following month. To submit a new claim that accounts for additional encounters, the provider must void the original claim and submit a new claim with all requisite encounter data.

The examples below reflect the policy changes:

- ***Example 1:*** An individual is in an Intensive Level RRP (Residential Rehabilitation Provider). The provider receives authorization to bill, H2018-U7, any combination of on-site and off-site PRP services, and receive the maximum reimbursement if a minimum of 23 encounters are provided. If the provider submits a claim for payment for this authorization but has only submitted 13 encounters, the claims system will process the claim and pay the provider a lower reimbursement consistent with the number of encounters. The provider continues to submit encounter data throughout the remainder of the month, and eventually submits the 23 encounters. The provider is required to submit a corrected claim to obtain the additional reimbursement.
- ***Example 2:*** An individual is in an Intensive Level RRP. The provider receives authorization to bill, H2018-U7, any combination of on-site and off-site PRP services, with a maximum reimbursement if a minimum of 23 encounters are provided. The provider submits a claim for payment for this authorization before the end of the month when all 23 encounters are completed. The claims system will process the claim and pay the provider the full amount.
- ***Example 3:*** An individual is residing in supported housing. The provider receives authorization to bill, H2018-U3-49, any combination of on-site and off-site PRP services, will be reimbursed the appropriate amount if a minimum of 6 encounters are provided. If the provider submits a claim for payment for this authorization but has only submitted 2 encounters, the claims system will process the claim and pay the provider a lower reimbursement consistent with the number of encounters. The provider continues to submit encounter data throughout the remainder of the month, and eventually submits the 6 encounters. The provider is required to submit a corrected claim to obtain the additional reimbursement.

Providers are required to submit all encounter data, regardless of whether the additional encounter will result in additional payment, since encounter data is utilized in rate studies. Incomplete encounter data may result in inaccurate costs analysis of PRP services.

This transmittal clarifies the original transmittal (PT06-20), which was issued in advance of the policy change to give PRPs time needed to alter their billing operations, if needed, to avoid potential payment delays for services rendered during the month of January 2020.

Please direct any questions regarding the information in this transmittal to the Maryland Medicaid Behavioral Health Unit at [mdh.mabehavioralhealth@maryland.gov](mailto:mdh.mabehavioralhealth@maryland.gov).