

CMS Releases Guidance Regarding the Elimination of Discriminatory Co-payments in Medicare Outpatient Psychiatric Services

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA) was passed by Congress in June of 2008 and phases out Medicare’s historic discriminatory co-payment structure for outpatient mental health and addiction benefits. Prior to the passage of MIPPA, expenses incurred in a calendar year for the treatment of mental, psychoneurotic, and personality disorders of an individual who is not an inpatient of a hospital were only reimbursed at 62 ½ percent.

In October 2009, CMS issued its final rule establishing the process by which co-pays for outpatient mental health services will be brought to parity with co-pays for every other type of outpatient service. Parity will be phased in over four years, beginning in calendar year 2010:

Changes in Co-pays and Recognized Incurred Expenses for Outpatient Psychiatric Services, 2009 to 2014

Calendar Year	Recognized Incurred Expenses	Patient Pays	Medicare Pays
2009 & prior	62.50%	50%	50%
2010 & 2011	68.75%	45%	55%
2012	75.00%	40%	40%
2013	81.25%	35%	65%
2014 & after	100.00%	20%	80%

In addition to these changes, CMS issued a clarification that the following types of outpatient psychiatric services are already exempt from the limitation and therefore subject to the 20 percent co-payment rate:

- Brief office visits for monitoring or changing drug prescriptions used to treat a mental health disorder (billed under the HCPCS code M0064);
- Psychiatric diagnostic services billed under CPT codes 9081 and 9082;
- Diagnostic services billed under CPT codes 96101 through 96125, including neuropsychological tests and diagnostic psychological tests used to establish a diagnosis; and
- Pharmacologic management services billed under CPT code 90862 when furnished to a patient diagnosed with Alzheimer’s disease or a related disorder.

The final rule is available online at: <http://edocket.access.gpo.gov/2009/pdf/E9-26502.pdf> (see pages 61786-61788).

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