

Partial Hospitalization Program

Policy Number: SC14P0034A3

Effective Date: May 1, 2018

Last Update: January 5, 2026

PAYMENT POLICY HISTORY

DATE	SUMMARY OF CHANGE
January 5, 2026	Policy updated to reflect change to legislated payment adjustment outlined in MN Statute Sec. 256B.763, originally approved in SPA 24-44.
September 5, 2025	Clarification made to applicable products regarding policy application to dually integrated products.
May 27, 2025	Annual policy review complete. Corrected overview section, which was incidentally transposed with the Health Behavioral Assessment policy overview.
February 19, 2025	Policy updated to reflect change to legislated payment adjustment outlined on Approved SPA 24-44.
July 24, 2024	Annual policy review complete. Clarification updates made to definition and payment information, and billing requirements sections. Additional grammar, formatting, and stylization updates applied.
November 14, 2023	Information regarding member eligibility, specifically the need for CASII and ECSII assessments have been removed from this policy. This was completed in accordance with DHS's November 3 rd , 2023 update.
July 12, 2023	A clarification has been made to this policy regarding Critical Access Hospital (CAH) billing for Partial Hospitalization.
March 2, 2023	Annual policy review is completed. Updates made to provider and enrollee eligibility criteria (changes published by DHS January 2023). Policy definitions were also updated.
September 19, 2022	Information regarding code-specific procedure CPT® or HCPCS was removed.
April 6, 2021	The Partial Hospitalization Policy is renamed Partial Hospitalization Program. The policy was moved to an updated template and as a result some information may have been reformatted.
July 17, 2019	Based on notification by the State Register effective April 23, 2019, billing for H0035 and H0035 –HA is changing from per unit billing to per session billing. All internal links within the policy and the UCare logo have been updated.
May 1, 2018	The Partial Hospitalization policy was posted by UCare.

APPLICABLE PRODUCTS

This policy applies to the UCare products checked below:

UCARE PRODUCT	PRODUCT TYPE	APPLIES TO
UCare Connect + Medicare (When MHCP is the primary payment methodology)	Dually Integrated	✓
UCare Minnesota Senior Health Options (MSHO) (When MHCP is the primary payment methodology)	Dually Integrated	✓
UCare Connect	Minnesota Health Care Programs (MHCP)	✓
UCare Minnesota Senior Care Plus (MSC+)	Minnesota Health Care Programs (MHCP)	✓
UCare MinnesotaCare	Minnesota Health Care Programs (MHCP)	✓
UCare Prepaid Medical Assistance (PMAP)	Minnesota Health Care Programs (MHCP)	✓

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PAYMENT POLICY

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PAYMENT POLICY INSTRUCTIONS

A payment policy assists in determining provider reimbursement for specific covered services. To receive payment, the provider must be in a contractual relationship with UCare and provide services to a member enrolled in one of UCare's products. This payment policy is intended to provide a foundation for system configuration, work instructions, call scripts, and provider communications. A payment policy describes the rules for payment, which include applicable fee schedules, additional payment rules by regulatory bodies, and contractual terms. This policy is a general guideline and may be superseded by specific provider contract language.

PAYMENT POLICY OVERVIEW

Partial hospitalization is a time- limited, structured program of multiple and intensive psychotherapy and other therapeutic services provided by a multidisciplinary team (as defined by Medicare) provided in an outpatient hospital setting outpatient department facility or a Medicare-certified community mental health center (CMHC) meeting Medicare requirements. Partial hospitalization programs focus on resolving or stabilizing an acute episode of mental illness.

POLICY DEFINITIONS

TERM	NARRATIVE DESCRIPTION
Essential Community Provider	<p>A health care provider that serves high-risk, special needs, and underserved individuals that demonstrates the ability to integrate appropriate supportive and stabilizing services with medical services. In order to be designated as an ECP, a provider must demonstrate that it meets the requirements of Minnesota Statutes 62Q.19 and Minnesota Rules Chapter 4688. Those regulations require that ECPs:</p> <ul style="list-style-type: none">• Provide or coordinate supportive and stabilizing services, such as transportation, childcare, linguistic services, and culturally sensitive and competent services to its patients;• Serve all patients, regardless of their financial limitations; and• Charge patients for their services based on a sliding fee schedule, if the ECP is a non-profit organization.
Partial Hospitalization	<p>A time-limited, structured program of multiple and intensive psychotherapy and other therapeutic services provided by a multidisciplinary team as defined by Medicare, providing services in an outpatient hospital facility or community mental health center (CMHC),</p>

TERM	NARRATIVE DESCRIPTION
	meeting Medicare requirements to provide partial hospitalization program services. The goal of a partial hospitalization program is to resolve or stabilize an acute episode of mental illness.

ENROLLEE ELIGIBILITY CRITERIA

THIS SECTION OF THE POLICY PROVIDES INFORMATION THAT IS SPECIFIC TO THE UCARE MEMBER, INCLUDING INFORMATION ABOUT THE CRITERIA THE MEMBER MUST MEET IN ORDER FOR THE SERVICE(S) IN THE POLICY TO BE ELIGIBLE FOR PAYMENT.

To receive partial hospitalization program services, a UCare member must:

- Be experiencing an acute episode of mental illness that meets the criteria for an inpatient hospital admission
- Have the ability to participate in treatment
- Have appropriate family or community resources needed to support and enable the member to benefit from less than 24-hour care
- Be admitted to partial hospitalization program (PHP) under the care of a physician who certifies the need for partial hospitalization, stating the member would otherwise require inpatient psychiatric care, if PHP were not provided.
- Have a completed level of care assessment with a Level 4 indication for adults aged 18 and older

ELIGIBLE PROVIDERS OR FACILITIES

OUTLINED BELOW IS THE SPECIFIC CRITERIA A PROVIDER MUST MEET IN ORDER FOR THE SERVICE(S) IN THIS POLICY TO BE ELIGIBLE FOR PAYMENT.

Provider

Outpatient hospital facilities or community mental health centers that meet Medicare requirements to provide partial hospitalization services are eligible to provide partial hospitalization services.

EXCLUDED PROVIDER TYPES

OUTLINED BELOW IS INFORMATION REGARDING PROVIDERS WHO ARE NOT ELIGIBLE TO FURNISH THE SERVICE(S) LISTED IN THIS POLICY.

Not applicable.

MODIFIERS, CPT, HCPCS, AND REVENUE CODES

General Information

The Current Procedural Terminology (CPT®), Healthcare Common Procedure Coding System (HCPCS), and Revenue codes listed in this policy are for reference purposes only. Including information in this policy does not imply that the service described by a code is a covered or non-covered health service. The inclusion of a code does not imply any right to reimbursement or guarantee of claim payment.

Modifiers

The modifiers listed below are not intended to be a comprehensive list of all modifiers. Instead, the modifiers that are listed are those that must be appended to the CPT® / HCPCS codes listed below. Based on the service(s) provided, and the circumstances surrounding those services it may, based on correct coding, be appropriate to append an additional modifier(s) to the CPT® / HCPCS code.

When a service requires multiple modifiers, the modifiers must be submitted in the order listed below. If it is necessary to add additional modifiers, they should be added after the modifiers listed below.

MODIFIER(S)	NARRATIVE DESCRIPTION
HA	Child or Adolescent

CPT and/or HCPCS Code(s)

CPT AND/OR HCPCS CODE(S)	MODIFIER(S)	NARRATIVE DESCRIPTION
H0035		Partial Hospitalization – age 18 and older
H0035	HA	Partial Hospitalization – under the age of 18

CPT® is a registered trademark of the American Medical Association.

Revenue Codes

REVENUE CODE(S)	NARRATIVE DESCRIPTION
0912	Partial Hospitalization, Low intensity
0913	Partial Hospitalization, High intensity

PAYMENT INFORMATION

Covered Services

At a minimum, partial hospitalization includes at least one session of individual, group, or family psychotherapy and two or more other services.

- Individual and group psychotherapy
- Occupational therapy services are covered if the member requires the skills of a qualified occupational therapist and be performed by or under the supervision of a qualified occupational therapist or by an occupational therapy assistant.
- Services of social workers, trained psychiatric nurses, and other staff trained to collaborate with psychiatric patients.
- Drugs and biologicals furnished to outpatients for therapeutic purposes, but only if they cannot be self-administered.
- Activity therapies but only those that are individualized and essential for the treatment of the member's condition. The treatment plan must clearly justify the need for each particular therapy utilized and explain how it fits into the patient's treatment.
- Family counseling services only where the primary purpose of such counseling is the treatment of the patient's condition.
- Patient education programs, but only where the educational activities are closely related to the care and treatment of the patient.

To be consistent with Medicare recommended standards partial hospitalization programs must:

- Provide at least four (4) days, but not more than five (5) out of seven (7) calendar days, of partial hospitalization program services
- Ensure a minimum of twenty (20) service components and minimum of twenty (20) hours in a seven (7) calendar-day period
- Provide a minimum of five (5) to six (6) hours per day for adults eighteen (18) years of age and older
- Provide a minimum of four (4) to (5) hours of service per day for a child under the age of eighteen (18)

Payment Adjustments

Payment Reductions

Based on MHCP guidelines when certain mental services are furnished by a master's prepared provider a twenty percent (20%) reduction is applied to the allowed amount. Master's prepared providers may include:

- Clinical Nurse Specialist (CNS-MH)
- Licensed Independent Clinical Social Worker (LICSW)
- Licensed Marriage and Family Therapist (LMFT)

- Licensed Professional Clinical Counselor (LPCC)
- Licensed Psychologist (LP) master's Level
- Psychiatric Nurse Practitioner
- Master's Level enrolled provider

Master's level reductions are not applied to mental health services when they are furnished:

- In a Community Mental Health Center (CMHC)
- By a Mental Health Practitioner qualified to work as a clinical trainee

Payment Enhancements

In addition to the master's level provider reduction, UCare also applies a legislated adjustment to specific mental health services when furnished by the providers listed below.

July 2007 through December 2024, the legislated adjustment was 23.7%.

Effective January 2025, the legislated adjustment is 11.85%.

Effective January 2026, the legislated adjustment is 5.92%.

- Psychiatrists;
- Advance Practice Nurses;
 - Clinical Nurse Specialist
 - Nurse Practitioner
- Community Mental Health Centers;
- Mental health clinics and centers certified under Rule 29 and designated by the Minnesota Department of Mental Health as an essential community provider;
- Hospital outpatient psychiatric departments designated by the Minnesota Department of Mental Health as an essential community provider; and
- Children's Therapeutic Services and Supports (CTSS) providers for services identified as CTSS in the DHS mental health procedure CPT or HCPCs codes and rates chart.

Information on UCare fee schedule updates can be found in the [UCare Provider Manual](#).

BILLING REQUIREMENTS AND DIRECTIONS

Billing Guidelines

Submit partial hospitalization program services using the 837-I format and include the following:

- Indicate the appropriate patient status;
- Outpatient facilities enter the type of bill (TOB) 13X (Outpatient)
- Community Mental Health Center enter the type of bill (TOB) 76X (CMHC)

- Critical Access Hospitals enter the type of bill (TOB) 85X (CAH Outpatient)
- Use revenue code 0912 or 0913
- Append CPT code H0035 for adults or H0035 HA for children or adolescent services as the procedure code
- Report the attending provider as the physician who has overall responsibility for the patient's medical care and treatment

PRIOR AUTHORIZATION, NOTIFICATION, AND THRESHOLD INFORMATION

Prior Authorization, Notification, and Threshold Requirements

UCare does update its' authorization, notification, and threshold requirements from time-to-time. The most current prior authorization requirements can be found [here](#).

RELATED PAYMENT POLICY INFORMATION

OUTLINED BELOW ARE OTHER POLICIES THAT MAY RELATE TO THIS POLICY AND/OR MAY HAVE AN IMPACT ON THIS POLICY.

POLICY NUMBER	POLICY TITLE

SOURCE DOCUMENTS AND REGULATORY REFERENCES

LISTED BELOW ARE LINKS TO CMS, MHCP, AND STATUTORY AND REGULATORY REFERENCES USED TO CREATE THIS POLICY.

[MHCP Provider Manual, Mental Health Services, Partial Hospitalization Program](#)

[MN Statutes Sec. 256B.0671](#)

[Code of Federal Regulations, title 42, section 410.43](#)

[Code of Federal Regulations, title 42, section 410.110](#)

DISCLAIMER

"Payment Policies assist in administering payment for UCare benefits under UCare's health benefit Plans. Payment Policies are intended to serve only as a general reference resource regarding UCare's administration of health benefits and are not intended to address all issues related to payment for

health care services provided to UCare members. When submitting claims, all providers must first identify member eligibility, federal and state legislation, or regulatory guidance regarding claims submission, UCare provider participation agreement contract terms, and the member-specific Evidence of Coverage (EOC) or other benefit document. In the event of a conflict, these sources supersede the Payment Policies. Payment Policies are provided for informational purposes and do not constitute coding or compliance advice. Providers are responsible for submission of accurate and compliant claims. In addition to Payment Policies, UCare also uses tools developed by third parties, such as the Current Procedural Terminology (CPT®*), InterQual guidelines, Centers for Medicare and Medicaid Services (CMS), the Minnesota Department of Human Services (DHS), or other coding guidelines, to assist in administering health benefits. References to CPT® or other sources in UCare Payment Policies are for definitional purposes only and do not imply any right to payment. Other UCare Policies and Coverage Determination Guidelines may also apply. UCare reserves the right, in its sole discretion, to modify its Policies and Guidelines as necessary and to administer payments in a manner other than as described by UCare Payment Policies when necessitated by operational considerations."