

## Psychotherapy

Policy Number: SC14P0043A2

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.
June 9, 2025	Annual review complete. Updates made to billing requirements section.
February 19, 2025	Policy updated to reflect change to legislated payment adjustment outlined on Approved SPA 24-44.
May 31, 2024	Annual review complete. Standardization & wording clarifications applied.
May 25, 2023	Annual policy review completed. Updates made to overview, enrollee eligibility, provider eligibility, and billing requirements sections.
May 1, 2023	Added statement regarding appropriate billing of prolonged psychotherapy services, per DHS published guidance established March 6, 2023.
February 22, 2023	References to CPT® Code 99354 removed, as code was deleted eff. 1/1/2023.
September 19, 2022	Information regarding code-specific procedure CPT® or HCPCS was removed.
April 6, 2021	The psychotherapy policy was moved to an updated UCare format. As a result, some of the information may have been reformatted. In addition, an annual update was completed. No changes were made to the policy.
August 28, 2019	Information regarding comparison to the DHS MH Procedure CPT® or HCPCS Codes and Rates Chart and UCare fee schedules was removed from the document. The UCare Provider Manual contains information regarding how and when UCare updates fee schedules. A link to the UCare Provider Manual continues to be available within the document.
May 1, 2019	Annual policy review. The links within the Policy and the UCare logo were updated.
May 1, 2018	The psychotherapy policy was implemented by UCare.

### APPLICABLE PRODUCTS

This policy applies to the 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 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**

Psychotherapy is the treatment of a person with mental illness that applies the most appropriate psychological, psychiatric, psychosocial, or interpersonal method that conforms to prevailing community standards of professional practice to meet the mental health needs of the member.

Psychotherapy is:

- A planned and structured, face-to-face treatment of a member's mental illness
- Directed to accomplish measurable goals and objectives specified in the member's individual treatment plan (ITP)

**POLICY DEFINITIONS**

TERM	NARRATIVE DESCRIPTION
Clinical Trainee	A mental health practitioner who meets the qualifications specified in <a href="#">MN Statute 245I.04, subdivision 6.</a>
Diagnostic Assessment	Functional face-to-face evaluation resulting in a complete written assessment that includes clinical considerations and severity of the client's general physical, developmental, family, social, psychiatric, and psychological history, and current condition. The Diagnostic Assessment will also note strengths, vulnerabilities, and needed mental health services.
Family Member	A person identified by the patient (or patient's parent or guardian) as being important to the patient's mental health and may include, but is not limited to parents, children, spouse, committed partners, and ex-spouse(s), person related by blood or adoption, or persons who are presently residing together as a family unit. Shift staff or other facility staff members at the patient's residence are not considered a Family Member.

TERM	NARRATIVE DESCRIPTION
Mental Health Practitioner Qualified as a Clinical Trainee	<p>A mental health practitioner working as a clinical trainee who meets the following criteria:</p> <ul style="list-style-type: none"> <li>• Be complying with requirements for licensure or board certification as a mental health professional including supervised practice in the delivery of mental health services for the treatment of mental illness</li> <li>• Be a student in a bona fide field placement or internship under a program leading to completion of the requirements for licensure as a mental health professional</li> </ul> <p>The clinical trainee's clinical supervision experience helps the practitioner gain knowledge and skills necessary to practice effectively and independently. The experience gained by the clinical trainee during supervision may include:</p> <ul style="list-style-type: none"> <li>• Direct practice</li> <li>• Treatment team collaboration</li> <li>• Continued professional learning</li> <li>• Job management</li> </ul>
Mental Health Professional	<p>One of the following:</p> <ul style="list-style-type: none"> <li>• Clinical nurse specialist (CNS)</li> <li>• Licensed independent clinical social worker (LICSW)</li> <li>• Licensed marriage and family therapist (LMFT)</li> <li>• Licensed professional clinical counselor (LPCC)</li> <li>• Licensed psychologist (LP)</li> <li>• Mental health rehabilitative professional</li> <li>• Psychiatric nurse practitioner (NP)</li> <li>• Psychiatry or an osteopathic physician</li> <li>• Tribal-certified professional</li> </ul>
Psychotherapy	<p>A planned and structured, face-to-face treatment of a patient's mental illness that is provided using the psychological, psychiatric, or interpersonal method most appropriate to the needs of the patient according to current community standards of mental health practice and is directed to accomplish measurable goals and objectives specified in the patient's individual treatment plan (ITP).</p>

## 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.**

Minnesota Health Care Programs (MHCP) members must have a diagnosis of mental illness as determined by a diagnostic assessment. The diagnosis must be included in the diagnostic code list published by Minnesota Department of Human Services.

Exception: The initial diagnostic assessment allows for a member to be eligible to receive up to three sessions of a combination of individual or family psychotherapy or family psychoeducation before the provider completes the diagnostic assessment.

#### **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**

Only a mental health professional, clinical trainee, or tribal certified professional can provide psychotherapy.

##### **Facility**

Not applicable.

##### **Other and/or Additional Information**

Not applicable.

#### **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 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.

### **CPT and/or HCPCS Code(s)**

See “Billing Requirements” section below for comprehensive list of applicable CPT codes and supporting information.

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

### **Revenue Codes**

Not applicable.

## **PAYMENT INFORMATION**

### **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**

### **General Information**

#### ***Psychotherapy (with patient)***

- Used for services with the patient present
- Includes some time without the patient; however, the patient must be present for the majority of the psychotherapy time
- Used for both outpatient and inpatient settings
- May include hypnotherapy (conducted by a mental health professional or clinical trainee trained in hypnotherapy). Do not bill hypnotherapy separately
- May include individual psychophysiological therapy incorporating biofeedback, with psychotherapy
- May be used with interactive complexity add-on

#### ***Evaluation and Management (E&M) with Psychotherapy (patient or family or both)***

- Used when psychotherapy is performed in addition to E/M services
- If providing both services, they must be at separate times and distinguishable services

- Time spent on E/M activities may not be counted towards the psychotherapy time
- May be used with interactive complexity add-on

### ***Family Psychotherapy***

- These codes should be used when the patient and one or more family members participation in therapy is necessary to accomplish the patient's treatment goals.
- If, in the opinion of the treating provider, the patient's absence from the family psychotherapy session is necessary to carry out the patient's treatment plan, document length of time and reason for member's absence
- Family members do not need to be enrolled with UCare or MHCP to participate in family psychotherapy.

### ***Multiple Family Group Psychotherapy***

- Multiple family group psychotherapy is designed for at least two, but no more than five families.
- The focus of multiple family group psychotherapy is to meet the treatment needs of the patient as outlined in their treatment plan.
- If a member is excluded from a session, document the reason for and length of the time of the exclusion.
- Document reasons why a family member is excluded.

### ***Group Psychotherapy***

- Group psychotherapy is appropriate for individuals who, because of the nature of their emotional, behavioral, or social dysfunctions, can benefit from treatment in a group setting.
- One mental health professional may provide services for a group of 3 - 8 patients
- When the size of the group is 9 – 12 patients, two Mental Health Professionals must be present.
  - For group psychotherapy the group may not exceed 12 patients and is not dependent on the number of UCare enrollees or MHCP patients participating the group.
- When appropriate, the interactive complexity add-on may be used

### ***Interactive Complexity***

It is appropriate to add-on CPT® code 90785 when any of the following circumstances exist during the visit:

- Communication difficulties among participants that complicate care delivery related to issues such as:
  - High anxiety
  - High reactivity
  - Repeated questions

- Disagreement
- Caregiver emotions or behaviors that interfere with implementing the treatment plan
- Discovery or discussion of evidence relating to an event that must be reported to a third party. This may include events such as abuse or neglect that require a mandatory report to the state agency
- It is necessary to overcome communication barriers by using any of the following methods:
  - Play equipment
  - Physical devices
  - An interpreter
  - A translator
- The mental health provider needs to overcome communication barriers for:
  - Patients who are not fluent in the same language as the mental health provider.
  - Patients who have not developed or have lost the skills needed to use or understand typical language.

The interactive complexity add on code should not be used for technical difficulties with telehealth equipment.

### **Billing Guidelines**

Submit claims only for the member of the psychotherapy sessions, regardless of the number of other family or group members in the session.

When more than one family member is a UCare member, such as two or three siblings, each receiving treatment within a specific timeframe, bill only for the time spent conducting psychotherapy for each member.

When two or more professionals render group psychotherapy:

- Submit only one claim for each member.
- Professionals must determine which member each will bill for, or one professional may bill a claim for all members and reimburse the other professional(s).
- Multiple providers will not bill the entire session multiple times.

When billing:

- Bill psychotherapy services using MN–ITS 837P.
- Enter the treating provider NPI number on each claim line.
- Hypnotherapy is part of psychotherapy; do not bill separately.

- Teaching hospitals may enter the GC modifier for services performed under the direction of a supervising physician.

## Other Code-Specific Information:

- E&M with psychotherapy may only be billed by:
  - Clinical nurse specialist – Mental Health (CNS-MH)
  - Psychiatric Nurse Practitioner (NP)
  - Psychiatrist
- CPT® Code 90785 (Interactive complexity) may reported in addition to the following services:
  - Psychotherapy (CPT® codes 90832, 90834, 90837)
  - Psychotherapy performed with an E&M service (CPT® codes 90833, 90836, 90938)
  - Group psychotherapy (CPT® code 90853)
- CPT® codes 90846-90849 may be billed for each family participating in a family session. These codes should not be billed for each family member participating in the therapy session.

CPT® or HCPCS CODES	MODIFIER	NARRATIVE DESCRIPTION	BILLING GUIDELINES
90832		Psychotherapy (with patient) 30 minutes	E&M with psychotherapy may only be billed by: <ul style="list-style-type: none"> <li>Clinical nurse specialist – MH (CNS-MH-MH)</li> <li>Psychiatric Nurse Practitioner (NP)</li> <li>Psychiatrist</li> </ul>
90834		Psychotherapy (with patient) 45 minutes	
90837		Psychotherapy (with patient) 60 minutes	
90833		Psychotherapy, 30 minutes with patient when performed with an evaluation and management service (List separately in addition to the code for primary procedure (E&M code))	CPT® Code 90785 (Interactive complexity) may reported in addition to the following services: <ul style="list-style-type: none"> <li>Psychotherapy (CPT® codes 90832, 90834, 90837)</li> <li>Psychotherapy performed with an E&amp;M service (90833, 90836, 90938)</li> </ul>
90836		Psychotherapy, 45 minutes with patient when performed with an evaluation and management service (List separately in addition to the code for primary procedure (E&M code))	For prolonged psychotherapy services face to face with the member of 91 minutes or more, bill two units of 90837.
90838		Psychotherapy, 60 minutes with patient when performed with an evaluation and management service (List separately in	CPT® codes 90846-90849 may be billed for <i>each family</i> participating in a family session. This coded should <i>not</i> be billed for each family member participating in the therapy session.

CPT® or HCPCS CODES	MODIFIER	NARRATIVE DESCRIPTION	BILLING GUIDELINES
		addition to the code for primary procedure (E&M code))	
90875		Individual psychophysiological therapy incorporating biofeedback, with psychotherapy, 30 minutes	
90876		Individual psychophysiological therapy incorporating biofeedback, with psychotherapy, 45 minutes	
90846		Family psychotherapy (without the patient present), 50 minutes	
90847		Family psychotherapy (with patient present), 50 minutes	
90849		Multiple-family group psychotherapy	
90853		Group psychotherapy	When appropriate, 90785 Interactive Complexity add-on service may be billed in addition to 90853
90785		Interactive Complexity Add-On	

## Time Based Services

When billing for services that include time as part of their definition, follow HCPCS and CPT guidelines to determine the appropriate unit(s) of service to report. Based on current guidelines, providers must spend more than half the time of a time-based code performing the service to report the code. If the time spent results in more than one- and one-half times the defined value of the code, and no additional time increment code exists, round up to the next whole number. Outlined below are the billable units of service based on whether the description of the service includes the unit of measurement of 15 minutes or 60 minutes:

MINUTES	BILLABLE UNITS
<b>Fifteen (15) Minute Increments</b>	
0 – 7 minutes	0 (no billable unit of service)
8 – 15 minutes	1 (unit of billable service)
<b>Sixty (60) Minute Increments</b>	
0 – 30 minutes	0 (no billable unit of service)
31 – 60 minutes	1 (unit of billable service)

**PRIOR AUTHORIZATION, NOTIFICATION, AND THRESHOLD INFORMATION****Prior Authorization, Notification, and Threshold Requirements**

UCare does update 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, Psychotherapy](#)

[Minnesota Statutes 144.292](#), subdivision 2 and 7 (Minnesota Health Records Act – patient access and exception

[Minnesota Statutes 245I.10](#) (Diagnostic assessment) (Individual Treatment Plan)

[Minnesota Statutes 245.4871](#), subdivision 11a (Diagnostic assessment)

[Minnesota Statutes 256B.0671](#), subdivision 11 (Psychotherapy services)

[Code of Federal Regulations, title 45, section 164](#), parts 501 (45 CFR 164.501) (Psychotherapy notes)

[Code of Federal Regulations title 45, section 160](#), parts 203 (45 C.F.R. 160.203 (b)) (Release of Privacy)

**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.”