

Commercial Coverage for Services Provided by OMH-Licensed School-Based Mental Health (SBMH) Clinics

Frequently Asked Questions

Updated July 12, 2024

Question	Answer
<p>1. Some commercial insurers have claimed to be unaware of the coverage changes. Is there further communication that can be sent to them? What should providers do when commercial insurers say this?</p>	<p>Providers should contact OMH at commercial-billing@omh.ny.gov or DFS at health@dfs.ny.gov if commercial insurers indicate they are unaware of or disclaim that the law applies to their policies.</p> <p>The State has taken multiple steps to relay information to the commercial insurers and offer technical assistance which includes the following:</p> <ul style="list-style-type: none"> a) DFS released the Department of Financial Services (DFS) Insurance Circular Letter No. 9 (2023): Reimbursement for Treatment Provided by School-Based Mental Health (SBMH) Clinics b) School-Based Mental Health (SBMH) Clinic FAQs for Commercial Billing (March 1, 2024) was sent on March 1, 2024, to Commercial Insurers responding to questions submitted to the State. c) Two webinars were held on December 21, 2023 and January 31, 2024 which covered SBMH Clinic reimbursement requirements and reviewed guidance and resources, including rates and billing information. d) Established a new OMH commercial webpage: Commercial Billing for Behavioral Health (BH) Services (ny.gov) to post helpful resources and information related to Commercial billing for SBMH Clinics. e) Established a Commercial billing mailbox that can be

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	<p>contacted for any billing questions regarding OMH-licensed SBMH Clinics for commercial insurers: commercial-billing@omh.ny.gov.</p>
<p>2. Especially in light of this lack of awareness, we are concerned that the lack of a distinct rate code for SBMH Clinic services will result in billing issues.</p> <p>Suppose the only way commercial insurers will know a service falls under the new rate category is by looking up the address in the list of SBMH Clinics, and some commercial insurers claim not to even know there is a new rate category. In that case, we are very concerned they simply will not process the claims appropriately.</p>	<p>The State recommended that commercial insurers use the rate code however, it is at the commercial insurer’s discretion whether to require providers to use the SBMH Clinic rate codes or any other billing logistics as long as they comply with the rate mandate.</p> <p>For instance, some commercial insurers indicate that they use other billing fields on the claims to identify the SBMH Clinics (e.g., Place of Service) to adjudicate the claims appropriately. Additionally, the State provides commercial insurers with a weekly updated list that includes all SBMH Clinic sites to which this law applies.</p> <p>If providers are experiencing denials, underpayment, or other issues, OMH strongly encourages you to file a complaint with DFS here: File a Complaint Department of Financial Services (ny.gov) (Choose the option for Healthcare Provider Complaint).</p>
<p>3. Commercial insurers are saying their systems are not ready; is OMH providing guidance to them?</p>	<p>See the response to question 1 for the resources and guidance that have been provided.</p> <p>Additionally, the State is actively providing technical assistance to commercial insurers who have reached out for any billing questions and continues to develop additional materials and instructions to support commercial insurers’ system configuration.</p>

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<p>4. A clinic has a satellite in a school but is out of network with the client's insurance, can we still receive the Ambulatory Patient Groups (APG) rate for payment?</p>	<p>Effective January 1, 2024, Chapter 57 of the Laws of 2023 amended the insurance law to require commercial insurers to provide reimbursement for services provided by a MHOTRS SBMH Clinic program regardless of program participation in the commercial insurer's provider network. However, if the services are provided by a participating provider, the contract rate will continue to apply. The commercial insurer must pay at least the State-mandated rate (APG/APG equivalent) for out-of-network services. For more information regarding requirements for coverage please refer to the DFS Circular Letter.</p>
<p>5. We are in-network with most insurances. What if a commercial insurer does not want to pay us the Medicaid rate or even re-negotiate rates at all? What do you advise?</p>	<p>These are strategic business decisions for the provider. While it may be beneficial for a provider to remain in the network to obtain direct payment from the commercial insurer or to simplify utilization review requirements, providers may wish to reinforce to the commercial insurers they contract with that if they were to drop from the network, the commercial insurer would be required to pay at least the Medicaid rate for services provided to members in applicable NYS regulated policies. For more information, please refer to slides 17 and 18 from the Reimbursement for Services Provided by OMH-licensed School-Based Mental Health Outpatient Treatment and Rehabilitative Services Program (MHOTRS): For Providers webinar.</p> <p>Additionally, beginning January 1, 2025, for NYS-regulated insurance policies or contracts issued, renewed, or amended on or after January 1, 2025, insurers will be required to reimburse for in-network SBMH Clinic services at the Medicaid rate which was in effect on 4/1 of the prior year. So, it may be beneficial for programs to wait rather than terminate their contracts. The State will be issuing more guidance regarding this requirement.</p>

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<p>6. It would be great to know about copays and if SBMH Clinics are responsible for collecting them, or if in the absence of a negotiated rate, the provider will be reimbursed the full APG rate.</p>	<p>Providers are responsible for collecting the member cost-sharing (e.g., copayment) from the member either at the time of service or through accounts receivable. Commercial insurer reimbursement, either in the form of a negotiated rate or the Medicaid rate if out of network, is reduced by the applicable cost-sharing amount, which if the provider is unable to collect, reduces the provider's total reimbursement.</p> <p>Note that the law requires reimbursement for covered SBMH Clinic services to be at the rate negotiated between the commercial insurer and SBMH Clinic or, in the absence of a negotiated rate, an amount no less than the rate that would be paid for such services by Medicaid.</p> <p>Also, note that these new insurance law protections contain a hold harmless provision for members who access SBMH Clinic services through out-of-network providers. So, while normally out-of-network cost-sharing amounts may be higher for members, the law provides that the commercial insurer may only apply in-network cost-sharing to the SBMH Clinic service, even if the SMBH Clinic is out-of-network. Information regarding cost-sharing amounts can be obtained from the member's insurance card or by contacting the insurance company.</p>
<p>7. I see that the law applies to health insurance policies "issued, renewed, amended, modified, or altered" on or after January 2024. What does this mean? Is the renewal date the subscriber renewal, or the agency contract renewal date?</p>	<p>Health insurance policies renew throughout the year. The law is effective for health insurance policies when they renew on or after January 1, 2024. The term of a provider agreement between a commercial insurer and SMBH Clinic is not relevant to when the law will begin to apply to a specific member's policy.</p>
<p>8. Commercial insurers are generally not included in the routine payment policies, seeing this makes me wonder</p>	<p>The commercial reimbursement mandate for SBMH Clinic services was enacted as part of the SFY 2024 NYS Budget to expand access to mental health services for youth.</p>

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<p>why the exception is for SBMH Clinic and not general Article 31 clinics.</p>	<p>As part of the SFY 2025 NYS Budget, a commercial reimbursement mandate was also enacted for additional OMH and OASAS licensed and certified facilities that participate in the commercial insurer's networks. The State will issue additional guidance regarding these provisions.</p>
<p>9. All our in-network commercial insurers told me they will not negotiate a higher rate and I cannot discontinue our contract and still see CHP kids. What do you suggest?</p>	<p>These are strategic business decisions for the provider. It is true that CHP insurers may require prior authorization or a network exception request for out-of-network services and this may limit the provider's ability to serve children out of network. It may be beneficial for a provider to maintain its contract status for CHP only.</p> <p>If the family or consumer has difficulties accessing services, they can reach out to Community Health Access to Addiction and Mental Health Care Project (CHAMP), the OMH and OASAS ombudsman program, for assistance with navigating health insurance coverage for behavioral health conditions.</p>
<p>10. What about our new immigrant families who do not yet have any insurance? How do we get paid?</p>	<p>The provisions of this law only apply to commercial policies and contracts regulated by the NYS law. Provider's obligations to provide care to individuals without coverage based on a sliding fee scale should be referred to the provider's own management or counsel.</p> <p>The State administers a supplemental payment program that may compensate SBMH Clinic providers under certain circumstances. For more information, please see pages 22-24 of NYS Office of Mental Health 14 NYCRR Part 599 Mental Health Outpatient Treatment and Rehabilitative Services Medicaid Billing and Fiscal Guidance.</p>
<p>11. How would a commercial insurer know to pay the higher APG rate for non-participating school-based locations?</p>	<p>The State hosted two webinars on December 21, 2023 and January 31, 2024 which covered SBMH Clinic reimbursement</p>

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<p>How would they know who is school-based since they don't have contracts or know who our satellite locations are?</p>	<p>requirements and reviewed guidance and resources, including rates and billing information.</p> <p>In addition, OMH established a new commercial webpage: Commercial Billing for Behavioral Health (BH) Services (ny.gov) to post helpful resources and information related to Commercial billing for SBMH Clinics including the list of SBMH Clinics and associated APG rates. This list is also provided to commercial insurers via email weekly.</p> <p>If providers are experiencing denials, underpayment issues, or other issues with Commercial insurers, OMH strongly encourages you to file a complaint with DFS here: File a Complaint Department of Financial Services (ny.gov) (Choose the option for Healthcare Provider Complaint).</p>
<p>12. When a client has a commercial insurer and a Medicaid Managed Care Organization (MMCO) or Medicaid Fee for Service (FFS), do we use the Enhanced Rate Code?</p>	<p>When an individual has dual coverage, Medicaid is always the payer of last resort and the provider should follow coordination of benefit rules and bill all other primary insurance first prior to billing Medicaid. If the commercial insurer has configured its system to accept the rate code, then you can use this.</p> <p>Regardless of the code used for the commercial claim, when billing Medicaid, providers should use the rate code and follow all applicable Medicaid billing rules.</p>
<p>13. Are the National Provider Identifiers (NPIs) unique to the SBMH Clinic locations? Or are the NPIs potentially shared with community clinic locations? If the latter, how would commercial insurers identify and pay SBMH Clinic rates vs. the rates for services in the community clinics?</p>	<p>SBMH Clinic providers may have the same NPIs for multiple programs they are approved to deliver. However, different locations typically have different addresses and zip+4 which have been distributed with the providers' corresponding NPI and rates to commercial insurers on a reoccurring basis by OMH. This information is also posted to the Commercial Billing for Behavioral Health (BH) Services (ny.gov).</p>

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<p>14. What is the process providers should follow when commercial insurers fail to comply with the government rate mandate for SBMH Clinics?</p>	<p>The Department of Financial Services has oversight of commercial insurers that they regulate in NYS. If providers are experiencing denials, underpayment, or other issues with commercial insurers, OMH strongly encourages you to file a complaint with DFS here: File a Complaint Department of Financial Services (ny.gov) (Choose the option for Healthcare Provider Complaint).</p> <p>Providers can also contact OMH at commercial-billing@omh.ny.gov with any concerns or questions related to billing commercial insurers for BH services.</p>
<p>15. Please clarify how it works when the client's insurance processes out-of-network claims with a high deductible, but in-network claims with a copay.</p>	<p>The commercial insurers may only collect in-network copayments, coinsurance, and deductibles, even if the SMBH Clinic is out of network.</p> <p>Specifically, if the policy only has a deductible on out-of-network services, but charges copays or a coinsurance amount for in-network services, the provider should only collect the in-network copayment or coinsurance from the member. The commercial insurer is required to pay the remaining portion of the claim up to the APG rate.</p>
<p>16. Do we bill the commercial insurer on a UB04 form or CMS 1500?</p>	<p>Currently, there are no State mandates on the type of claim form that should be used for commercial SBMH Clinic claims, and providers are encouraged to reach out to their commercial insurer to confirm the appropriate billing requirements for submitting SBMH Clinic claims.</p>
<p>17. Would commercial insurance issued out of NYS qualify?</p>	<p>Only NYS fully insured policies that are delivered or issued for delivery in New York are required to comply with this law (e.g., the policy was purchased in New York).</p>