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## MEMORANDUM

**TO:** DA – Executive Directors  
Finance Directors  
Children’s Mental Health Directors  
DA and SSA Billing Managers

**FROM:** Frank Reed, Commissioner, Department of Mental Health *F Reed*

**CC:** Shannon Thompson, DMH Finance Director  
Laurel Omland, DMH, Operations Director, Children and Family Services  
Emma Harrigan, DMH Quality Management Director

**DATE:** 5/26/16

**SUBJECT:** Billing Coding Change – Effective **July 1, 2016 (updated to include correct year of effective date)**: Service Coordination must be billed as a Specialized Rehabilitative (Spec Rehab) Service.

This memorandum provides information related to Service Coordination Services billing coding requirements that are being updated to align with correct coding requirements.

While Service Coordination has always been part of Specialized Rehabilitative Services, DMH was given permission in the past (prior to Global Commitment and the National Correct Coding Initiative) to use the Targeted Case Management Code (T1017) to distinguish the portion of Specialized Rehabilitative Services that is Service Coordination from the rest of Specialized Rehabilitation that is Community Skills/Integration.

Due to correct coding requirements we can no longer use Targeted Case Management (listed as case management on the rate sheet and in the current DMH FFS Medicaid Provider Manual) billing code to differentiate Service Coordination activities from other specialized rehabilitation services. While correct coding requirements necessitate this change, service delivery will not be affected because the service definition will remain the same in the DMH FFS Medicaid Provider Manual.

In order to allow for continued differentiation between the specialized rehabilitation service types and duration, separate reporting will continue as two service types in the MSR (AO1 for service coordination and BO1 or BO2 for individual or group community supports). The only change is that one code (H2017) will be used to submit all Specialized Rehabilitation Services claims to HP.

When the change goes into effect (ETA July 1st), Service Coordination needs to be both billed & reported as a Specialized Rehabilitative Service (H2017) consistent with Specialized Rehabilitation Services as outlined in the current Medicaid State Plan.

*Please see the following definition language from the State Plan regarding Specialized Rehabilitative Services:*

### **Specialized Rehabilitative Services**

◆ **Basic Living Skills**

Restoration of those basic skills necessary to independently function in the community, including food planning and preparation, maintenance of living environment, community awareness and mobility skills.

◆ **Social Skills**

Redevelopment of those skills necessary to enable and maintain independent living in the community, including communication and socialization skills and techniques.

◆ **Counseling**

Counseling services directed toward the elimination of psychosocial barriers that impede the development or modification of skills necessary for independent functioning in the community.

◆ **Collateral Contact**

Meeting, counseling, training or consultation to family, legal guardian, or significant others to ensure effective treatment of the recipient. These services are only provided to, or directed exclusively toward, the treatment of the Medicaid eligible person.

This billing coding requirement is reflected in the current DMH FY 2016 Rate Sheet upcoming DMH Medicaid FFS Provider Manual revision in the FY 2017 rate sheet that includes billing codes for service types. Please contact Reba Porter, DMH Senior Auditor and Program Consultant, at [Rebecca.Porter@vermont.gov](mailto:Rebecca.Porter@vermont.gov) with any questions or concerns related to the information contained in this memo.