

Chapter 7

Section 3.4

Psychiatric And Substance Use Disorder (SUD) Partial Hospitalization Programs (PHPs)

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Authority: [32 CFR 199.4\(b\)\(9\)](#)

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1.0 BACKGROUND

The Fiscal Year (FY) 1992 Defense Authorization Conference Report directed the Secretary of Defense to establish a partial hospitalization benefit. As a result, the partial hospitalization benefit, previously limited to treatment of alcoholism, was expanded to cover other mental health disorders. This added level of care improves the availability of mental health services. The intent is to provide a needed service at a lower cost than the full hospitalization rate, and to allow more efficient use of resources for needed mental health care.

2.0 DESCRIPTION

Psychiatric and SUD partial hospitalization is a treatment setting capable of providing an interdisciplinary program of medical therapeutic services, to include management of withdrawal symptoms as medically indicated. Services may include day, evening, night, and weekend treatment programs which employ an integrated, comprehensive and complementary schedule of recognized treatment approaches. Partial hospitalization is a time-limited, ambulatory, active treatment program that offers therapeutically intensive, coordinated, and structured clinical services within a stable therapeutic environment. Partial hospitalization is an appropriate setting for crisis stabilization, treatment of partially stabilized mental disorders, to include substance use disorders, and a transition from an inpatient program when medically necessary. To be approved, such programs must enter into a participation agreement, and be accredited and in substantial compliance with the Joint Commission (TJC), the Commission on the Accreditation of Rehabilitation Facilities (CARF), the Council on Accreditation (CoA), or an accrediting organization approved by the Director, Defense Health Agency (DHA). The regional contractor may submit, via the TRICARE Regional Office (TRO), additional accrediting organizations for TRICARE authorization, subject to approval by the Director, DHA.

3.0 POLICY

3.1 Treatment of Mental Disorders

In order to qualify for mental health or SUD benefits, the patient must be diagnosed by a licensed, qualified mental health professional, and be suffering from a mental disorder, according to the criteria listed in the current edition of the **Diagnostic and Statistical Manual of Mental Disorders** (DSM) or a mental health diagnosis in the International Classification of Diseases, 9th Revision, Clinical

Modification (ICD-9-CM) for diagnoses made before the mandated date, as directed by Health and Human Services (HHS), or the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) implementation, after which the ICD-10-CM diagnoses must be used. Benefits are limited for certain mental disorders, such as specific developmental disorders. No benefits are payable for "Conditions Not Attributable to a Mental Disorder," or ICD-9-CM **V** codes, or ICD-10-CM **Z** codes. Co-occurring mental and SUDs are common and assessment should proceed as soon as it is possible to distinguish the substance related symptoms from other independent conditions. In order for treatment of a mental disorder to be medically or psychologically necessary, the patient must, as a result of a diagnosed mental disorder, be experiencing both physical or psychological distress and an impairment in his or her ability to function in appropriate occupational, educational, or social roles. It is generally the degree to which the patient's ability to function is impaired that determines the level of care (if any) required to treat the patient's condition.

3.2 The purpose of partial hospitalization is to provide an appropriate setting for crisis stabilization, treatment or partially stabilized mental or SUDs, and as a transition from an inpatient program when medically or psychologically necessary to avoid a serious deterioration in functioning within the context of a time-limited, ambulatory, active treatment program that offers therapeutically intensive, coordinated, and structured clinical services within a stable therapeutic environment.

3.3 A Primary Care Manager (PCM) referral is required for PHP services. Preauthorization is not required for admission to a PHP. However, if the PHP provider is a network provider, a request for preauthorization from the network provider to the contractor may be accepted in lieu of PCM referral. Contractors remain responsible for ensuring covered care is medically or psychologically necessary and appropriate. See Sections 3.5 and 3.8 regarding referral and preauthorization requirements.

3.4 Criteria for determining medical or psychological necessity of partial hospitalization services. PHP services will be considered necessary only if all of the following conditions are present:

3.4.1 The patient is suffering significant impairment from a mental disorder to include SUD (as defined in 32 CFR 199.2) which interferes with age appropriate functioning or the patient is in need of rehabilitative services for the management of withdrawal symptoms from alcohol, sedative-hypnotics, opioids, or stimulants that require medically-monitored ambulatory detoxification, with direct access to medical services and clinically intensive programming of rehabilitative care based on individual treatment plans;

3.4.2 The patient is unable to maintain himself or herself in the community, with appropriate support, at a sufficient level of functioning to permit an adequate course of therapy exclusively on an outpatient basis (but is able, with appropriate support, to maintain a basic level of functioning to permit partial hospitalization services and presents no substantial imminent risk of harm to self or others);

3.4.3 The patient is in need of crisis stabilization, treatment of partially stabilized mental health disorder or SUD, or services as a transition from an inpatient program;

3.4.4 The admission into the PHP is based on the development of an individualized diagnosis and treatment plan expected to be effective for that patient and permit treatment at a less intensive level.

3.5 Authorized PHPs must have entered into participation agreements (see [Chapter 11, Addendum F](#)) to provide multi-disciplinary programs in exchange for all-inclusive per diem reimbursement. Professional services provided by a qualified mental health provider that do not duplicate treatment provided in a PHP may be billed separately.

4.0 EFFECTIVE DATE

Removal of quantitative limits on mental health and SUD care, October 3, 2016.

- END -

