

Intensive Outpatient Program (IOP)

Issue Date: June 13, 2017

Authority: [32 CFR 199.4\(b\)\(10\)](#)

1.0 BACKGROUND

With the implementation of the Final Rule, Federal Register, Volume 81, No 171, September 2, 2016, TRICARE mental health and Substance Use Disorder (SUD) treatment, the Defense Health Agency (DHA) added IOPs, both for mental health and SUDs, as covered benefits to the TRICARE Basic program. This added level of care improves the availability of mental health and SUD services. The intent is to provide availability of adequate step down care from inpatient/residential or partial hospitalization care and increase beneficiaries' access to medically or psychologically necessary intensive outpatient care in all geographic areas.

2.0 DESCRIPTION

IOP is an outpatient level of care that provides an organized day or evening program for the treatment of mental health and/or SUDs. Mental health and/or SUD IOP level care typically consists of between six and nine or more hours a week of treatment services (minimum two hours per treatment day) which includes assessment, treatment, and rehabilitation for individuals requiring a lower level of care than mental health or SUD Partial Hospitalization Program (PHP), inpatient/residential Substance Use Disorder Rehabilitation Facility (SUDRF) care, Residential Treatment Care (RTC) care, or acute inpatient psychiatric or SUD hospitalization. The program structure is regularly scheduled, individualized and shares monitoring and support with the beneficiary's family and support system. IOPs provide therapies as clinically indicated, and includes case management to link beneficiaries and their families with community-based support systems. An IOP may be appropriate to transition from other levels of care, when medically and psychologically necessary.

3.0 POLICY

3.1 In order to qualify for mental health benefits, the patient must be diagnosed by a licensed, qualified mental health professional to be suffering from a mental disorder, according to the criteria listed in the current edition of the **Diagnostic and Statistical Manual for 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), for the International Classification of Diseases, 10th Revision, Clinical Modification (ICD-10-CM) implementation, after which the ICD-10-CM diagnoses must be used. 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 A Primary Care Manager (PCM) referral is required for IOP services. Preauthorization is not required for admission to an IOP. However, if the IOP 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 and psychologically necessary and appropriate. See [Sections 3.5](#) and [3.8](#) regarding referral and preauthorization requirements.

3.3 Criteria for determining medical or psychological necessity of IOP services. IOP services will be considered necessary only if all of the following conditions are present:

3.3.1 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.

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

3.3.3 The admission into the IOP 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.

3.4 Authorized IOPs must enter into participation agreements 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 an IOP may be billed separately.

4.0 EFFECTIVE DATE

October 3, 2016

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