



Commercial Billing for School-Based Mental Health (SBMH) Clinic FAQ

Updated March 1, 2024

1. Please confirm that this policy would only apply to fully-insured commercial plans, per Chapter 57 of 2023 Part II Subpart A §§4, 8, and 12. The [Circular Letter](#) explicitly states it does not apply to CHP, EP, and Medicaid Managed Care. However, these services are in the Medicaid benefit package. Will there be separate guidance from the Department of Health and/or OMH for these lines of business?

Answer: The statutory provisions contained in Part II, Subpart A, sections 4, 8, and 12 of Chapter 57 of the laws of 2023 apply to fully insured commercial plans.

However, CHP and Medicaid Managed Care plans were already required to pay for mental health services provided at a School-Based Mental Health (SBMH) Clinic licensed pursuant to Article 31 of the Mental Hygiene law at rates equivalent to Medicaid fee for service rates pursuant to Part LL of Chapter 57 of the laws of 2022, which extended the “government rate” mandate for Medicaid and CHP. The State has released separate guidance that outlines the reimbursement and contracting requirement for Medicaid: [School-Based Mental Health Services \(ny.gov\)](#). For questions related to CHP, please contact chplus@health.ny.gov.

The policy does not apply to the NYS Essential Plan.

2. Would the providers be billing a SBMH Rate Code for the services? Would the services also be able to be billed by the same provider with a non-School Based Rate Code?

Answer: For commercial billing, as long as the State mandated rate (APG/PG-equivalent for out-of-network providers or the negotiated rate for in-network providers) can be paid accurately and timely to providers per the 2023 NYS Law and State guidance, it’s at the plans’ discretion whether to require providers to use SBMH rate codes. However, the State recommends that commercial plans adopt the use of rate codes to be consistent with Medicaid which will significantly reduce the administrative and billing burden for providers and plans considering the complications of the APG algorithm. For Commercial plans that decide to use the 3M grouper, the rate code is a part of the configuration package and is one of the key coding elements in the claims adjudication process.

3. The statute provides for coverage of out-of-network SBMH clinics. However, would this be the case if the health benefit plan had NO out of network coverage?



Answer: Per [Insurance Circular Letter No. 9 \(2023\): Reimbursement for Treatment Provided by School-Based Mental Health Clinics | Department of Financial Services \(ny.gov\)](#), the reimbursement requirement for outpatient care provided by a non-participating SBMH clinic licensed pursuant to Mental Hygiene Law Article 31 applies **regardless of whether the policy or contract covers out-of-network services.**

4. Is the scope of care that should be covered limited to services that can appropriately be provided in a school environment? Or is the expectation that any service that was performed needs to be covered? As an example. Behavioral Health would not typically cover psych testing performed in a school environment because there is a potential issue with provider qualifications, etc.

Answer: SBMH clinics are by definition Article 31 Mental Health Outpatient Treatment and Rehabilitative Services (“MHOTRS”) providers, as such, the scope of services and practitioner qualifications are governed by Part 599 and a summary of services the MHOTRS is qualified to provide (through appropriate staffing required in the program) can be found in the [MHOTRS billing guidance](#).

5. Would it be a good assumption to limit coverage to those services currently addressed by Medicaid reimbursement, understanding that the coding for commercial claims will not align with the Medicaid reimbursement codes?

Answer: No. The provisions of the Insurance Law being implemented are not related to coverage. The Insurance Law requires plans to cover outpatient mental health services provided in an Article 31 facility. The new provisions of the Insurance Law dictate payment parity for services covered by Medicaid, which includes all services described in 14 NYCRR Part 599.

6. Is the state limiting SBMH clinics to those that are designated by the state (we believe there are currently 108 clinics) or do plans need to be concerned about separate types of state licensing and types of schools (ex. private schools, home schools, etc.)? Are the SBMH clinics only open to registered students?

Answer: Commercial plans must cover outpatient mental health treatment provided by facilities licensed by OMH pursuant to Article 31 of the Mental Hygiene Law. The recently enacted reimbursement mandate applies to facilities licensed by OMH pursuant to Article 31 of the Mental Hygiene Law to provide outpatient care in a SBMH clinic located within a pre-school, elementary school, or secondary school, regardless of whether the SBMH clinic furnishing such services is a participating provider with respect to such services. A list of these providers can be found in the [Billing Behavioral Health \(BH\) Services Under Managed Care Commercial section](#). The State will post an updated list to the website, as frequently as needed, to assist with configurations and reconciliations.

In general, SBMH clinics only serve registered students, families, and collaterals. Per the [MHOTRS billing guidance](#), the enhanced rate may not be billed for clients of the satellite who are not enrolled students at the host school.

7. How will the school know which plan to bill for which student?

Answer: The school does not bill for services provided in the SBMH clinic. The SBMH clinic has experience billing commercial plans. OMH SBMH clinic providers are advised to check eligibility prior to delivering services to identify the child's policy.

8. Will the school be collecting insurance information from all students?

Answer: The school does not bill for services provided in the SBMH clinic. OMH-licensed SBMH clinics are expected to follow existing processes to admit children into treatment, including checking eligibility prior to delivering services to identify the child's policy.

9. Plans need to understand how these providers will be reflected in the provider directory.

Answer: The SBMH clinic location list is found here: [Billing Behavioral Health \(BH\) Services Under Managed Care Commercial section](#). We encourage issuers to identify providers as mental health clinics and have their locations listed with the name of the school and the address so that members will not be confused about whether the services are available outside of the school.

10. The agencies tied to the schools would need to know to bill plans. Will plans be sending EOBs to the parents? Are there any privacy concerns? Can a student ask to withhold an EOB?

Answer: The State is planning to provide technical assistance to its providers regarding commercial billing and reimbursement requirements covered under the [Insurance Circular Letter No. 9 \(2023\): Reimbursement for Treatment Provided by School-Based Mental Health Clinics | Department of Financial Services \(ny.gov\)](#). The Plans should follow their existing policies on sending EOBs to the insured, including for care provided to minors. This legislation does not amend any of the existing privacy protections for minors.

11. We're working with the list that was included in the webinar as a list compliant with an effective date of January 1, 2024, and need to be able to document that in the implementation process for subsequent market conduct reviews. Please confirm that the list in the webinar is the list of licensed Article 31s that would assure compliance with the budget language adopted in April 2023.

Answer: A list of these providers can be found on the [Billing Behavioral Health \(BH\) Services Under Managed Care Commercial section](#)

12. I'm sure there will be subsequent meetings with commercial health insurers to better develop a process by which there is an automated notification for newly licensed Article 31s – that we'll put on the 'to do' list but am hoping you can advise if something is in the works.

Answer: A list of these providers can be found in the [Billing Behavioral Health \(BH\) Services Under Managed Care Commercial section](#). This site is updated periodically. OMH will send out a notification from commercial-billing@omh.ny.gov actively alerting Commercial plans of changes to the SBMH clinic provider list or establish a listserv.

13. The DFS Circular Letter notes:

- The reimbursement requirement for outpatient care provided by a non-participating SBMH clinic licensed pursuant to Mental Hygiene Law Article 31 applies regardless of whether the policy or contract covers out-of-network services.
- Additionally, the law provides that payment by an issuer to the SBMH clinic is payment in full for the services provided. **Further, the SBMH clinic may not charge or seek any reimbursement from, or have any recourse against, an insured for the services provided, except for the collection of in-network copayments, coinsurance, or deductibles for which the insured is responsible under the terms of the policy or contract.**

Does the underlined language mean that an insurer is only permitted to apply in-network copayments, coinsurance, and deductibles even if the SMBHC is out of network? As you are aware, some benefit plans may have different out-of-pocket costs for out-of-network and in-network providers. Would a plan collect an in-network co-pay/coinsurance/deductible from an insured who is covered by a plan with no out-of-network benefits?

Answer: Correct, the plan may only apply in-network copayments, coinsurance, and deductibles to the SBMH payment, even if the SMBH clinic is out of network.