



Corporate Medical Policy

Residential Treatment for Chemical Dependency

File Name: residential_treatment_for_chemical_dependency
Origination: 7/1999
Last Review: 8/2006

Active policy, no longer scheduled for routine literature review.

Description of Procedure or Service

A residential treatment facility for chemical dependency is a facility that offers treatment for patients that require close monitoring of their behavioral and clinical activities related to their chemical dependency or addiction to drugs or alcohol. These programs are comprehensive and address potential withdrawal symptoms/behaviors and incorporate psychotherapeutic treatments and education through a multidisciplinary team approach. The treatment plan is individualized and intensive, offering individual therapy, family counseling, group therapy and recreational activities. The program will generally offer a prolonged after-care component and facilitates peer support. The patient must meet medical necessity criteria for admission into a residential facility.

Most chemical dependency treatment facilities provide limited direct MD or Ph.D. patient care. Facility-employed counselors provide most care, which is included in the daily costs. A physician or psychiatrist should evaluate the patient within the first 24 hours. Continuous assessment of the patient's need for continued residential treatment must be made at a minimum of 2 times per week by a physician or psychiatrist. This level of care is determined by matching the patient's status and needs to recover and regain the highest level of function to the appropriate level of care.

A residential treatment facility for chemical dependency is a 24-hour facility that is not a hospital. Residential treatment facilities for chemical dependency are not for "providing housing", custodial care, a structured environment whose use is simply to change the person's environment, or a wilderness center training camp.

Policy

BCBSNC will provide coverage (subject to benefit limitations) for Residential Treatment For Chemical Dependency when it is determined to be medically necessary because the medical criteria and guidelines shown below are met.

Benefits Application

Please refer to Certificate for availability of benefits. This policy relates only to the services or supplies described herein. Benefits may vary according to benefit design, therefore certificate language should be reviewed before applying the terms of the policy.

When Residential Treatment for Chemical Dependency is covered

Criteria for admission:

- A. **Criteria for admission of an adult** requires that **All** of the criteria cited under "Severity of Need" and under "Intensity of Service" must be met. Structured professional outpatient treatment and rehabilitation in the individual's normal setting is the treatment of choice. However, Residential Treatment, when indicated, should meet the following criteria:

- ◆ It should be individualized and not consist of a standard, pre-established number of days; and
- ◆ It should be the lowest level of care where treatment can safely and effectively be provided given the severity of the individual's condition.

1. Severity of Need

- a. The provider must be able to document that the individual has a history of alcohol/substance dependence but is mentally competent and cognitively stable enough to benefit from admission to the inpatient program at this point in time. Individual days during any part of the stay where the patient does not meet this criterion cannot be certified as medically necessary.
- b. Any one of the following:
 - i. the individual exhibits a pattern of severe alcohol and/or drug abuse as evidenced by continual inability to maintain abstinence and recovery despite recent (i.e., the past 3 months), appropriate, professional outpatient intervention, or
 - ii. the patient is residing in a severely dysfunctional living environment which would undermine effective outpatient treatment; or
 - iii. there is actual evidence for, or clear and reasonable inference of serious imminent physical harm to self or others directly attributable to the continued abuse of substances which would prohibit treatment in an outpatient setting.
- c. For individuals with a history of repeated relapses and treatment history involving multiple treatment attempts, there must be evidence of the restorative potential for the proposed admission.

2. Intensity of Service

- a. Due to significant impairment in social, familial, scholastic or occupational functioning, the individual requires intensive individual, group and family education and therapy in an inpatient rehabilitative setting.

- B. **Criteria for admission for a Child or Adolescent** includes the above criteria and the following criteria as well:

1. Severity of Need:

- a. The patient is a child or adolescent whose current living environment does not provide the support and access to therapeutic services necessary for recovery.

2. Intensity of Service

- a. When the patient is a child or adolescent, the individual plan of active substance abuse treatment must include at least weekly family involvement or identified valid reasons why such a plan is not clinically appropriate.

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Criteria for Continued Stay:

- C. In addition to meeting all of the admission criteria on a daily, continuing basis, there must be documentation at least three times per week supporting the need for continued inpatient treatment. Progress notes 3 times per week should document the providers' treatment and the patient's response to treatment. **All of 1 and 2** below need to be met for an Adult patient. **All of 1,2, and 3** need to be met for an Adolescent or Child.
1. The persistence of the problems that created a need for admission in the first place continue, despite therapeutic efforts, and the patient requires continued inpatient care. Or additional problems that meet the admission criteria have arisen and necessitate continued inpatient care.
 2. There is clear and reasonable evidence that the patient's re-entry into the community would result in an exacerbation of the illness to a degree requiring inpatient level of care.
 3. The individual plan of active treatment includes at least weekly family involvement or identified valid reasons why such a plan is not clinically appropriate.

When Residential Treatment for Chemical Dependency is not covered

Residential treatment is not covered for the use of foster homes or halfway houses.

Residential treatment is not covered for Wilderness Center training.

No benefits are available for custodial care, situation or environmental change.

Policy Guidelines

- Admission to a residential facility requires precertification from Blue Cross Blue Shield of North Carolina's Medical Resource Management Department.

Billing/Coding/Physician Documentation Information

This policy may apply to the following codes. Inclusion of a code in this section does not guarantee that it will be reimbursed. For further information on reimbursement guidelines, please see Administrative Policies on the Blue Cross Blue Shield of North Carolina web site at www.bcbsnc.com. They are listed in the Category Search on the Medical Policy search page.

Applicable code: No specific code exists for this service.

BCBSNC may request medical records for determination of medical necessity. When medical records are requested, letters of support and/or explanation are often useful, but are not sufficient documentation unless all specific information needed to make a medical necessity determination is included.

Policy Key Words

Key Words: Residential Treatment, Chemical Dependency, Residential Facility.

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Medical Term Definitions

Not applicable.

Scientific Background and Reference Sources

Medical Necessity Criteria from Magellan Behavioral Health, Inc. 1998

North Carolina General Statute §58-65-75 (Comprehensive Major Medical and PPO policies)

North Carolina General Statute §58-67-70 (HMO and POS policies)

Medical Policy Advisory Group - August 12, 1999

Specialty Matched Consultant Advisory Panel - 9/2000

Medical Policy Advisory Group - 10/2000

Specialty Matched Consultant Advisory Panel - 9/2002

Specialty Matched Consultant Advisory Panel - 8/2004

Specialty Matched Consultant Advisory Panel - 8/2006

Policy Implementation/Update Information

7/99 Local Policy issued.

8/99 Medical Policy Advisory Group reaffirmed

8/99 Reformatted, Medical Term Definitions added.

10/00 Specialty Matched Consultant Advisory Group review. No change recommended in criteria. System coding changes. Medical Policy Advisory Group review. No change in criteria. Approve.

2/02 Formatting change.

11/02 Specialty Matched Consultant Advisory Panel review 9/2002. No changes.

8/26/04 Specialty Matched Consultant Advisory Panel review 8/4/2004. Revised Description of Procedure or Service section. No changes to criteria. Updated Benefit Application, Policy Guidelines, and Billing/Coding sections for consistency. References added.

9/23/04 Updated Last Review Date and Next Review Date.

8/28/06 Specialty Matched Consultant Advisory Panel review 8/1/2006. No changes to policy statement. Policy status changed to: "Active policy, no longer scheduled for routine literature review". References added. (btw)

6/22/10 Policy Number(s) removed (amw)

Medical policy is not an authorization, certification, explanation of benefits or a contract. Benefits and eligibility are determined before medical guidelines and payment guidelines are applied. Benefits are determined by the group contract and subscriber certificate that is in effect at the time services are rendered. This document is solely provided for informational purposes only and is based on research of current medical literature and review of common medical practices in the treatment and diagnosis of disease. Medical practices and knowledge are constantly changing and BCBSNC reserves the right to review and revise its medical policies periodically.