

Medicaid Coverage of IOP Services

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Intensive Outpatient Program (IOP) Overview

- DMS has created this new benefit in response to DHS 75 administrative code updates.
- Part of ongoing efforts to ensure member access to the full continuum of behavioral health services and continuity of care.
- IOP is a new certification in Wisconsin, defined in Wis. Admin code DHS 75.51.

IOP Overview

- Medicaid previously reimbursed for outpatient and day treatment levels of care but did not have specific coverage policy for intensive outpatient programs.
- IOP enrollment began November 1, 2024.
- IOP coverage became effective March 1, 2025.

IOP Members

Who is eligible?

- Anyone in need of mental health, SUD, or co-occurring treatment at the IOP level
- Need is determined by clinical assessment
- Members aged 18+ may receive 9-19 hours of treatment per week
- Members younger than 18 may receive 6-19 hours of treatment per week

IOP Providers

Who can enroll and provide services?

- Providers with DHS 75.51 certification
- Federally Qualified Health Centers (FQHCs) with IOP in their approved scope of project or funding agreement

IOP Enrollment

- Provider enrollment began November 1, 2024.
- DMS has created a new provider specialty for IOP provider agencies.
- IOP enrollment is not available for individual providers and billing groups.

IOP Delivery Structure

- IOP coverage is available through BadgerCare Plus or Medicaid SSI HMOs for members enrolled in HMOs.
- IOP providers must contract with HMOs to provide IOP services to HMO members.
- IOP coverage is also available on a fee-for-service basis for Medicaid members not enrolled in an HMO.

Covered Services: Assessment

- Assessment includes:
 - Screening
 - Intake
 - Biopsychosocial assessment
 - Evaluation & Diagnosis
 - State approved placement criteria.
- For SUD & co-occurring services, use of American Society of Addiction Medicine (ASAM) criteria will be required.

Covered Services: Treatment Services

- Treatment Services may include:
 - Case management
 - Family counseling/therapy
 - Group counseling/therapy
 - Individual counseling/therapy
 - Medication management
 - Nursing services
 - Psychoeducation

Prior Authorization Process

- IOP services require prior authorization (PA).
- FFS PA requests can be approved using a same-day, real-time automated process.
- Providers must attest to having all required clinical documents on file and can usually be approved based on this attestation.

Length of Authorization

- Initial authorization requests may be approved for up to 19 hours per week for 8 weeks of treatment.
- Additional treatment time can be requested via a PA amendment request.
- Clinical documentation is required with amendment requests to extend treatment.

Claims & Billing

- Claim submission and reimbursement began March 1, 2025.
- IOP services will be billed using a single time-based billing code (H2019) for all covered services.
- IOP services provided to members under age 21 will be reimbursed at a higher rate.

Claims & Billing

- Reimbursement rates are available via the fee schedule.
- IOP is built into the 2025 capitation rate

IOP Resources

- [ForwardHealth IOP Page](#)
- [ForwardHealth Update 2024-38](#)
- Provider Services: 800-947-9627