



United Behavioral Health

Medicare Coverage Summary: Alcohol and Substance Abuse Treatment

Document Number: BH803ASATMCS0520

Effective Date: May 18, 2020

Table of Contents

[Introduction](#)

[Instructions for Use](#)

[Alcohol and Substance Abuse Treatment](#)

[\(CMS 130.1\) Inpatient Hospital Stays for Treatment of Alcoholism – Detoxification and Rehabilitation](#)

[\(CMS 130.2\) Outpatient Hospital Services for Treatment of Alcoholism](#)

[\(CMS 130.3\) Chemical Aversion Therapy for Treatment of Alcoholism](#)

[\(CMS 130.4\) Electrical Aversion Therapy for Treatment of Alcoholism](#)

[\(CMS 130.5\) Treatment of Alcoholism and Drug Abuse in a Freestanding Clinic](#)

[\(CMS 130.6\) Treatment of Drug Abuse \(Chemical Dependency\)](#)

[\(CMS 130.7\) Withdrawal Treatments for Narcotic Addictions](#)

[References](#)

[Revision History](#)

INTRODUCTION

Medicare Coverage Summaries are a set of objective and evidence-based behavioral health criteria used by medical necessity plans to standardize coverage determinations, promote evidence-based practices, and support members' recovery, resiliency, and wellbeing for Medicare behavioral health benefit plans managed by Optum®¹.

INSTRUCTIONS FOR USE

This guideline is used to make coverage determinations as well as to inform discussions about evidence-based practices and discharge planning for behavioral health benefit plans managed by Optum. When deciding coverage, the member's specific benefits must be referenced.

All reviewers must first identify member eligibility, the member-specific benefit plan coverage, and any federal or state regulatory requirements that supersede the member's benefits prior to using this guideline. In the event that the requested service or procedure is limited or excluded from the benefit, is defined differently or there is otherwise a conflict between this guideline and the member's specific benefit, the member's specific benefit supersedes this guideline. Other clinical criteria may apply. Optum reserves the right, in its sole discretion, to modify its clinical criteria as necessary using the process described in *Clinical Criteria*.

This guideline is provided for informational purposes. It does not constitute medical advice.

¹ Optum is a brand used by United Behavioral Health and its affiliates.

Optum may also use tools developed by third parties that are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.

Optum may develop clinical criteria or adopt externally-developed clinical criteria that supersede this guideline when required to do so by contract or regulation.

ALCOHOL AND SUBSTANCE ABUSE TREATMENT

Alcohol and substance abuse treatment includes the following:

- Chemical aversion therapy is a behavior modification technique that is used in the treatment of alcoholism. Chemical aversion therapy facilitates alcohol abstinence through the development of conditional aversions to the taste, smell, and sight of alcohol beverages. This is accomplished by repeatedly pairing alcohol with unpleasant symptoms (e.g., nausea) which have been induced by one of several chemical agents. While a number of drugs have been employed in chemical aversion therapy, the three most commonly used are emetine, apomorphine, and lithium. None of the drugs being used, however, have yet been approved by the Food and Drug Administration specifically for use in chemical aversion therapy for alcoholism. Accordingly, when these drugs are being employed in conjunction with this therapy, patients undergoing this treatment need to be kept under medical observation (NCD 130.1, 2014).
- Combined alcohol detoxification/rehabilitation programs provide both inpatient alcohol detoxification and inpatient rehabilitation (see below) (NCD 130.1, 2014).
- Electrical aversion therapy is a behavior medication technique to foster abstinence from ingestion of alcoholic beverages by developing in a patient, conditioned aversions to their taste, smell and sight through electrical stimulation (NCD 130.4, 2003).
- Inpatient hospital stay for alcohol detoxification includes services provided during the most acute stages of alcoholism or alcohol withdrawal when the high probability of occurrence of medical complications (e.g., delirium, confusion, trauma, or unconsciousness) during detoxification for acute alcoholism or alcohol withdrawal necessitates the constant availability of physicians and/or complex medical equipment found only in the hospital setting (NCD 130.1, 2014).
- Inpatient hospital stays for alcohol rehabilitation are provided in structured inpatient alcohol rehabilitation programs to the chronic alcoholic. These programs are composed primarily of coordinated educational and psychotherapeutic services provided on a group basis. Depending on the subject matter, a series of lectures, discussions, films, and group therapy sessions are led by physicians, psychologists, or alcoholism counselors from the hospital or various outside organizations. In addition, individual psychotherapy and family counseling may be provided in selected cases. These programs are conducted under the supervision and direction of a physician. Patient may directly enter an inpatient hospital rehabilitation program after having undergone detoxification in the same hospital or in another hospital or may enter an inpatient hospital rehabilitation program without prior hospitalization for detoxification (NCD 130.1, 2014).
- Some hospitals also provide services on an outpatient basis, either individually or as part of a day hospitalization program, for treatment of alcoholism. These services may include, for example, drug therapy, psychotherapy, and patient education and may be furnished by physicians, psychologists, nurses, and alcoholism counselors to individuals who have been discharged from an inpatient hospital stay for treatment of alcoholism and require continued treatment or to individuals from the community who require treatment but do not require the inpatient hospital setting (NCD 130.2, 2003).

- Coverage is available for alcoholism or drug abuse treatment services (such as drug therapy, psychotherapy, and patient education) that are provided incident to a physician's² professional service in a freestanding clinic to patients who, for example have been discharged from an inpatient hospital stay for the treatment of alcoholism or drug abuse or to individuals who are not in the acute stages of alcoholism or drug abuse but require treatment (NCD 130.5, 2003).
- Treatment of drug abuse (chemical dependency) includes detoxification and rehabilitation provided in a hospital, or in the outpatient department of a hospital to patients, who, for example, have been discharged from an inpatient stay for the treatment of drug substance abuse or who require treatment but do not require the availability and intensity of services found only in the inpatient hospital setting. Treatment of drug abuse includes withdrawal treatments for narcotic addictions (NCD 130.6, 2014).

This Medicare Coverage Summary is based on the following CMS National Coverage Determinations (NCDs), and is applicable to all states.

- (CMS 130.1) Inpatient Hospital Stays for Treatment of Alcoholism – Detoxification and Rehabilitation
- (CMS 130.2) Outpatient Hospital Services for Treatment of Alcoholism
- (CMS 130.3) Chemical Aversion Therapy for Treatment of Alcoholism
- (CMS 130.4) Electrical Aversion Therapy for Treatment of Alcoholism
- (CMS 130.5) Treatment of Alcoholism and Drug Abuse in a Freestanding Clinic
- (CMS 130.6) Treatment of Drug Abuse (Chemical Dependency)
- (CMS 130.7) Withdrawal Treatments for Narcotic Addictions

For Substance-Related covered services not addressed by these NCDs, please apply the ASAM Criteria.

Coverage Indications, Limitations and/or Medical Necessity

Indications (CMS 130.1 Inpatient Hospital Stays for Treatment of Alcoholism – Detoxification and Rehabilitation)

When the high probability or occurrence of medical complications (e.g., delirium, confusion, trauma, or unconsciousness) during detoxification of acute alcoholism or alcohol withdrawal necessitates the constant availability of physicians and/or complex medical equipment found only in the hospital setting, inpatient hospital care during this period is considered reasonable and necessary and is therefore covered under the program. Generally, detoxification can be accomplished within two to three days with an occasional need for up to five days where the patient's condition dictates. This limit (five days) may be extended in an individual case where there is a need for a longer period of detoxification for a particular patient. In such cases, however, there should be documentation by a physician which substantiates that a longer period of detoxification was reasonable and necessary. When the detoxification needs of an individual no longer require an inpatient hospital setting, coverage should be denied on the basis that inpatient hospital care is not reasonable and necessary. Following detoxification a patient may be transferred to an inpatient rehabilitation unit or discharged to a residential treatment program or outpatient treatment setting.

² Per the Medicare Benefit Policy Manual, Chapter 15, Section 60, physician means physician or other practitioner (physician, physician assistant, nurse practitioner, clinical nurse specialist, nurse midwife, and clinical psychologist) authorized by the Act to receive payment for services incident to his or her own services.

Hospitals may also provide structured inpatient alcohol rehabilitation programs to the chronic alcoholic. These programs are composed primarily of coordinated educational and psychotherapeutic services provided on a group basis. Depending on the subject matter, a series of lectures, discussions, films, and group therapy sessions are led by either physicians, psychologists, or alcoholism counselors from the hospital or various outside organizations. In addition, individual psychotherapy and family counseling may be provided in selected cases. These programs are conducted under the supervision and direction of a physician. Patients may directly enter an inpatient hospital rehabilitation program after having undergone detoxification in the same hospital or in another hospital or may enter an inpatient hospital rehabilitation program without prior hospitalization for detoxification.

Alcohol rehabilitation can be provided in a variety of settings other than the hospital setting. In order for an inpatient hospital stay for alcohol rehabilitation to be covered under Medicare it must be medically necessary for the care to be provided in the inpatient hospital setting rather than in a less costly facility or on an outpatient basis. Inpatient hospital care for receipt of an alcohol rehabilitation program would generally be medically necessary when either (1) there is documentation by the physician that recent alcohol rehabilitation services in a less intensive setting or on an outpatient basis have proven unsuccessful and, as a consequence, the patient requires the supervision and intensity of services which can only be found in the controlled environment of the hospital, or (2) only the hospital environment can assure the medical management or control of the patient's concomitant conditions during the course of alcohol rehabilitation. (However, a patient's concomitant condition may make the use of certain alcohol treatment modalities medically inappropriate.) In addition the "active treatment"³ criteria should be applied to psychiatric care in a general hospital as well as to psychiatric care in a psychiatric hospital. Since alcoholism is classifiable as a psychiatric condition the "active treatment" criteria must also be met in order for alcohol rehabilitation services to be covered under Medicare. (Thus, it is the combined need for "active treatment" and for covered care which can only be provided in the inpatient hospital setting, rather than the fact that rehabilitation immediately follows a period of detoxification which provides the basis for coverage of inpatient hospital alcohol rehabilitation programs.)

Generally 16-19 days of rehabilitation services are sufficient to bring a patient to a point where care could be continued in other than an inpatient setting. An inpatient hospital stay for alcohol rehabilitation may be extended beyond this limit in an individual case where a long period of alcohol rehabilitation is medically necessary. In such cases, however, there should be documentation by a physician which substantiates the need for such care. Where the rehabilitation needs of an individual no longer require an inpatient hospital setting, coverage should be denied on the basis that inpatient hospital care is not reasonable and necessary. Subsequent admissions to the inpatient hospital setting for alcohol rehabilitation follow-up, reinforcement, or "recap" treatments are considered to be readmissions (rather than an extension of the original stay) and must meet the requirements of this section for coverage under Medicare. Prior admissions to the inpatient hospital setting – either in the same hospital or in a different hospital – may be an indication that the "active treatment" requirements are not met (i.e., there is no reasonable expectation of improvement) and the stay should not be covered. Accordingly, there should be documentation to establish that "readmission" to the hospital setting for alcohol rehabilitation services can reasonably be expected to result in improvement of the patient's condition. For example, the documentation should indicate what changes in the patient's medical condition, social or emotional status, or treatment plan make improvement likely, or why the patient's initial hospital treatment was not sufficient.

The guidelines provided above should be applied to both phases of a combined inpatient hospital alcohol detoxification/rehabilitation program. Not all patients who require the inpatient hospital setting for detoxification require the inpatient hospital setting for rehabilitation. Where the inpatient hospital setting is medically necessary for both alcohol detoxification and rehabilitation, generally a 3-week period is reasonable and necessary to bring the patient to the point where care can be continued in other than an inpatient setting.

³ Per the Medicare Benefit Policy Manual, Chapter 2, Section 30.2.2.1, for services to be designated as active treatment, they must be: 1) provided under an individualized treatment or diagnostic plan (2) reasonably expected to improve the patient's condition or for the purpose of diagnosis; and (3) supervised and evaluated by a physician.

Decisions regarding reasonableness and necessity of treatment, the need for an inpatient hospital level of care, and length of treatment should be made by A/MACs based on accepted medical practice with the advice of their medical consultant.⁴

Indications (CMS 130.2 Outpatient Hospital Services for Treatment of Alcoholism)

Coverage of outpatient hospital services for treatment of alcoholism is available for both diagnostic and therapeutic services furnished for the treatment of alcoholism by the hospital to outpatients subject to the same rules applicable to hospital outpatient services in general. While there is no coverage for day hospitalization programs, per se, individual services may be covered. Meals, transportation and recreational and social activities do not fall within the scope of covered outpatient hospital services under Medicare.

All services must be reasonable and necessary for diagnosis and treatment of the patient's condition. Thus educational services and family counseling would only be covered where they are directly related to treatment of the patient's condition. The frequency of treatment and period of time over which it occurs must also be reasonable and necessary.

Indications (CMS 130.3 Chemical Aversion Therapy for Treatment of Alcoholism)

Available evidence indicates that chemical aversion therapy may be an effective component of certain alcoholism treatment programs, particularly as part of multi-modality treatment programs which include other behavioral techniques and therapies, such as psychotherapy. Based on this evidence chemical aversion therapy is covered under Medicare. However, since chemical aversion therapy is a demanding therapy which may not be appropriate for all Medicare beneficiaries needing treatment for alcoholism, a physician should certify to the appropriateness of chemical aversion therapy in the individual case. Therefore, if chemical aversion therapy for treatment of alcoholism is determined to be reasonable and necessary for an individual patient, it is covered under Medicare.

When it is medically necessary for a patient to receive chemical aversion therapy as a hospital inpatient, coverage for care in that setting is available. Follow-up treatments for chemical aversion therapy can generally be provided on an outpatient basis. Thus, where a patient is admitted as an inpatient for receipt of chemical aversion therapy, there must be documentation by the physician of the need in the individual case for the inpatient hospital admission.

Decisions regarding reasonableness and necessity of treatment, the need for an inpatient hospital level of care, and length of treatment should be made by A/MACs based on accepted medical practice with the advice of their medical consultant.⁵

Indications (CMS 130.4 Electrical Aversion Therapy for Treatment of Alcoholism)

Electrical aversion therapy has not been shown to be safe and effective and therefore is excluded from coverage.

Indications (CMS 130.5 Treatment of Alcoholism and Drug Abuse in a Freestanding Clinic)

Coverage is available for alcoholism or drug abuse treatment services (such as drug therapy, psychotherapy, and patient education) that are provided incident to a physician's professional service in a freestanding clinic to patients who, for example, have been discharged from an inpatient hospital stay for the treatment of alcoholism or drug abuse or to individuals who are not in the acute stages of alcoholism or drug abuse but require treatment. Services must also be reasonable and necessary for the diagnosis or treatment of the individual's alcoholism or drug abuse.

⁴ See the Medicare Coverage Summary, Psychiatric Inpatient Hospitalization for guidance.

⁵ See the Medicare Coverage Summary, Psychiatric Inpatient Hospitalization for guidance.

Indications (CMS 130.6 Treatment of Drug Abuse (Chemical Dependency))

When it is medically necessary for a patient to receive detoxification and/or rehabilitation for drug substance abuse as a hospital inpatient, coverage for care in that setting is available. Coverage is also available for treatment services that are provided in the outpatient department of a hospital to patients who, for example, have been discharged from an inpatient stay for the treatment of drug substance abuse or who require treatment but do not require the availability and intensity of services found only in the inpatient hospital setting. The services must also be reasonable and necessary for treatment of the individual's condition.

Decisions regarding reasonableness and necessity of treatment, the need for an inpatient hospital level of care, and length of treatment should be made by A/MACs based on accepted medical practice with the advice of their medical consultant.⁶

Indications (CMS 130.7 Withdrawal Treatments for Narcotic Addictions)

Withdrawal is an accepted treatment for narcotic addiction and payment can be made for these services if they are provided by the physician directly or under the physician's personal supervision and if they are reasonable and necessary.

Clinical Best Practices

This Medicare Coverage Summary is based on NCDs that do not provide guidance regarding clinical best practices. See the following Medicare Coverage Summaries:

- Outpatient Psychiatric and Psychological Services
- Psychiatric Inpatient Hospitalization

REFERENCES

Centers for Medicare and Medicaid Services, Benefit Policy Manual, 2014. CMS website: www.cms.gov

Centers for Medicare and Medicaid Services, National Coverage Determination, Chemical Aversion Therapy for Treatment of Alcoholism, 130.3. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determination, Electrical Aversion Therapy for Treatment of Alcoholism, 130.4. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determination, Inpatient Hospital Stays for Treatment of Alcoholism – Detoxification and Rehabilitation, 130.1. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determination, Outpatient Hospital Services for Treatment of Alcoholism, 130.2. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determination, Treatment of Alcoholism and Drug Abuse in a Freestanding Clinic, 130.5. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determination, Treatment of Drug Abuse (Chemical Dependency), 130.6. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determination, Withdrawal Treatments for Narcotic Addictions, 130.7. CMS website: www.cms.gov.

Centers for Medicare and Medicaid Services, National Coverage Determinations Manual, Chapter 1, Part 2, 2019. CMS website: www.cms.gov.

⁶ See the Medicare Coverage Summaries, Psychiatric Inpatient Hospitalization, Psychiatric Partial Hospitalization, and Outpatient Psychiatric and Psychological Services for guidance.

REVISION HISTORY

Date	Action/Description
November, 2014	• Version 1
June, 2015	• Version 2
June, 2016	• Version 3
June, 2017	• Version 4
January, 2018	• Version 5
March 18, 2019	• Version 6
May 18, 2020	• Version 7