



AETNA BETTER HEALTH[®]

d/b/a Aetna Better Health of Louisiana

Policy

Policy Name:	<u>In Lieu of Services</u>	Page:	1 of 12
Department:	<u>Medical Management</u>	Policy Number:	XXXX.XX*
Subsection:	<u>Utilization Management</u>	Effective Date:	01/01/2022
Applies to:	■ <u>Medicaid</u>		

Purpose:

The purpose of this policy is to describe and provide guidance regarding the health plan's process for decision-making for in lieu of services to maximize treatment options for members. In lieu services are alternative medically appropriate services outside of the health plan's covered services or settings that are provided for members, at their option, by the health plan as a cost-effective alternative to a health plan's covered service or setting.¹ The program includes physical and behavioral health services that Louisiana Department of Health (LDH) determines the alternative service or setting is a medically appropriate and cost-effective alternative for the covered benefits and services as required in 42 CFR §438.3(e)(2)(I)-(iii)². The approved In Lieu of Services are authorized and identified in Attachment C, In Lieu of Services. Additional guidance and service policies are provided in the MCO Manual.³

Statement of Objective:

The objectives of the policy define and reference a list of in lieu services provided by the Louisiana Department of Health, describe how in lieu services become available, describe how to access these services and assure appropriate authorization of services for the health plan members including but not limited to:

- **Documentation Requirements**
- **Medical Necessity Requirements**
- **Benefit Coverage**
- **Utilization Management**
- **Monitor the use of services to identify utilization of in lieu services.**

¹ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract p. 14

² ~~2023 Louisiana Medicaid Managed Care Organization Statement of Work Section 6.27~~ Louisiana Medicaid Managed Care Organization Attachment A: Model contract, **Section 2.4.4.1.1**

³ Louisiana Medicaid Managed Care Organization Attachment A: Model contract **Section 2.4.4.1.3**



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Definitions:

<u>23 - Hour Observation Bed Services for adults 21 and above)</u>	<u>This In Lieu of Services (ILOS) is an inpatient hospital-based intervention designed to allow for the opportunity to hold and assess a <u>member</u> without admitting them.</u>
<u>Covered or Non-covered Services/Benefits</u>	<u>Those health care services/benefits to which an individual eligible for Medicaid of CHIP is or is not entitled under the Title XIX Louisiana Medicaid State Plan.</u>
<u>Denial, reduction or termination of financial responsibility</u>	<u>The non-authorization of care or services at the level requested based on either medical appropriateness or benefit coverage. Partial approvals (modifications) and decisions to discontinue authorization when the practitioner or member does not agree are also denials.</u>
<u>Doula Service</u>	<u>Person typically without formal obstetrical training who is employed to provide guidance and support to a pregnant woman during labor. A separate Doula policy is available for further information.</u>
<u>Fee for Service Schedule (FFS)</u>	<u>A list of services available to all members of Louisiana State Medicaid as defined by Title XIX and is found on the Louisiana Department of Health website, Fee for Services. Can be found at https://www.lamedicaid.com/provweb1/fee_schedules/feeschedulesindex.htm</u>
<u>Free standing psychiatric hospitals for adults ages 21-64</u>	<u>A privately owned psychiatric hospital with more than sixteen (16) beds eligible to provide Medicaid services. The purpose of this ILOS is to assist adult members with significant behavioral health challenges. This population is often treated in more expensive general hospital psychiatric units, which creates access issues as beds in this setting are limited. Individuals often remain in emergency departments while waiting for available beds, thereby increasing costs to the healthcare system as they utilize those medical resources while awaiting beds in general hospitals. Use of freestanding psychiatric units reduces emergency department consumption, increases psychiatric bed capacity, and provides a less costly alternative to general hospital beds.</u>
<u>Injection services provided by a</u>	<u>Many enrollees-members are unable or unwilling to take oral psychotropics, or their mental status indicates a need for injectable medication to ensure</u>



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<u>licensed nurse to adults ages 21 and older.</u>	<u>compliance and stability. Embedded in the cost of many E&M coded visits is the cost of providing injectable medications. Allowing licensed nurses instead of physicians to perform this service delivery results in the most cost efficient and least costly service delivery and helps to ensure compliance. The goals are reducing subsequent office visits and reducing hospitalizations due to lack of compliance.</u>
<u>In Lieu of service (ILOS)</u>	<u>A medically appropriate service outside of Managed Care Organization (MCO) covered services or settings (or beyond service limits established by Louisiana Department of Health LDH for MCO covered services) that are provided to members at their option, by Aetna Better Health as a cost-effective alternative to a MCO covered service or setting.</u>
<u>Mental Health Intensive Outpatient Programs</u>	<u>An out-patient intermediate level of care program, after inpatient discharge for at least three (3) hours per day. Additional members considered for IOP include those at risk for inpatient hospitalization for a psychiatric condition or members needing a step-down from an inpatient hospitalization that is a higher level than standard outpatient services. The purpose of this ILOS is to provide members treatment via the least restrictive level of care, allowing an alternative to inpatient hospitalization or Assertive Community Treatment and providing a step-down option from inpatient hospitalization for members at high risk for readmission.</u>
<u>Prior Authorization</u>	<u>Prior assessment that proposed services (such as hospitalization) are appropriate for a particular patient and will be covered by Aetna Better Health. Payment for services depends on whether the patient and the category of service are covered by the member's benefit plan.</u>
<u>Provider</u>	<u>An institution or organization that provides services, such as a hospital, residential treatment center, home health agency, rehabilitation facility, lab and x-ray services or equipment.</u>

Legal/Contract Reference:

- [2020 Louisiana Medicaid Managed Care Organization Statement of Work Section 6.27.1, 6.27.1.2-3, 6.27.2, 6.27.3](#)



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- **2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract. Section 2.4.4**
- **2023 2022 Louisiana Medicaid MCO Manual**
- **Louisiana Medicaid Fee Index on the Louisiana Department of Health website**

FOCUS/DISPOSITION

The health plan confirms new In Lieu of Services available to members as an added benefit, providing additional member options for healthcare and provide cost savings.

RESPONSIBILITIES

MCO Responsibilities:

The health plan confirms decisions associated with the utilization of in lieu services are in compliance with the Louisiana Medicaid Program. ⁴

- **The health plan will have a plan for identifying and reporting the utilization of in lieu of services to LDH in accordance with Managed Care Organization (MCO) manual or as requested by LDH.** ⁵
- **The health plan will submit all In Lieu of Services for LDH approval in accordance with the MCO Manual.** ⁶
- **The utilization and actual cost of in lieu services is considered in developing the component of the capitation rates that represent the health plan's covered services unless a statute or regulation explicitly requires otherwise.** ⁷
- **When health plan chooses to adopt or discontinue a cost-effective alternative service, LDH shall be notified sixty (60) days in advance of the change.** ⁸

⁴ Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section **2.4.4.3**

⁵ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model Contract **2.4.4.4.4**

⁶ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract **Section 2.4.4.2**

⁷ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section **2.4.4.2**

⁸ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section **2.4.4.3**



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- **The health plan will educate staff on in lieu services available and offer alternative in lieu services to members when appropriate.**
- **The health plan will provide support to members and providers for questions and other assistance such as billing, claims, or regulations for using in lieu services.**
- **The health plan will have a plan for identifying and reporting the utilization of In Lieu Services to Louisiana Department of health in accordance with the MCO manual.⁹**

Provider Responsibilities:

- **Providers will follow the health plan's provider handbook instructions for authorization requests, claims and clinical requests for a timely authorization if needed.**
- **Providers will have a current, valid and unrestricted Louisiana license as explained in the MCO Provider Manual¹⁰.**

SCOPE

In lieu services are additional benefits offered by the health plan that are outside the scope of core benefits and services to individual members on a case-by-case basis, based on medical necessity, cost-effectiveness, the wishes of the member and or member's family, the potential for improved health status of the member, functional necessity and what is deemed appropriate by the medical director. Those services must represent medically appropriate treatments and not be indicated as "investigational" as determined by the medical director¹¹. In that instance, the medically appropriate non-covered service may be reviewed to determine if it is also cost-effective, and if deemed so, may be approved despite the non-covered status.

- **The health plan reserves the right to review for medical necessity using policy AMA 7000.30 Approving and Applying Medical Necessity Criteria which identifies all**

⁹ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section 2.4.4.4

¹⁰ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section 2.10.6.1

¹¹ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section 2.4.3.2



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Aetna approved medical necessity criteria which will be used for covered and non-covered services providing additional benefit services. The medical necessity of a service, equipment, or supply does not guarantee it will be approved and decisions are made case by case by the health plan's medical review. The health plan will determine what in lieu services will be covered and may cover the approved services or settings for enrollees that are in lieu of the Medicaid state plan services as provided.¹²

- Information and policies for in lieu services are provided in the most current contract and the MCO manual.
- Cost-effective alternative services may be provided as in lieu services because they are either:¹³
 - Alternatives to covered services that, in the health plan's judgement, are cost-effective; or
 - Preventative in nature and offered to avoid the development of conditions that, in ~~Aetna Better Health's~~ the health plan's judgement, would require more costly treatment in the future.
- The member is not required to use the cost-effective in lieu alternative service.¹⁴
 - Louisiana Department of Health (LDH) shall maintain a list of pre-approved, cost-effective alternative services that may include, for example, use of nursing facilities as a step-down alternative to acute care hospitalization. Services not included on the list shall be approved in writing by LDH. No adult who is being provided treatment in accordance with a recognized religious method of healing in lieu of medical treatment shall for that reason alone be considered to be neglected or abused. (Louisiana Revised Statutes 15:503.10)
- ~~Compared with Medicaid FFS, the MCO has the flexibility to cover services in a greater amount, scope, or duration, or to an expanded patient group, if deemed medically necessary. Nothing herein shall be construed by the MCO to limit coverage to only those procedure codes listed on the Medicaid FFS fee schedules. Within the broad State Plan categories, the MCO has the flexibility to reimburse for~~

¹² 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section **2.4.4.1**

¹³ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section **2.4.4.1.1**

¹⁴ 2023 Louisiana Medicaid Managed Care Organization Attachment A: Model contract Section **2.4.4.1.2**



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procedure codes not on the Medicaid FFS fee schedules when medically necessary.¹⁵

(TFB1)(LK2) The provider and member will be notified of the approval of the non-covered service per contractual and accreditation guidelines. The request is routed for a single case agreement (SCA) when applicable.

- If the Medical Director determines a denial of the non-covered service as not medically necessary, the provider and member are notified of the denial of the non-covered service per contractual and accreditation guidelines via phone or fax and letter as stated in AMA 7200.03 Timeliness Standards and Decision Notifications. The provider is offered an opportunity for a peer-to-peer review discussion of the denied requested service. For further information, please reference policy A-LA 7000.65 Peer to Peer Review. Any services not on the fee schedule may be denied as non-covered services.
- Approvals for in lieu services may be terminated when comparable services are implemented in the State Medicaid Services plan.

Physical Health

<u>In Lieu of Services</u>	<u>Alternative Medicaid State Plan Service (s)</u>	<u>Effective Date</u>
<u>Chiropractic Services for adult age 21 and older with disorders of the spine provide medically appropriate treatment of neuromuscular disorders. No authorization is required for up to 18 treatment sessions per year.</u> ¹⁶ <u>Additional sessions may require authorization.</u> ¹⁷	<u>Inpatient and Outpatient Hospitals, Physician services, nurse practitioner services, other licensed practitioner's services, laboratory and x-ray services, and prescribed drugs.</u>	<u>1/1/2022</u>

¹⁵ 2023 Louisiana Medicaid Managed Care Organization Manual Part 4 Services p. 40

¹⁶ 2023 Louisiana Medical Managed Care Organization (MCO) Manual p. 174

¹⁷ 2023 Louisiana Medicaid Managed Care Organization (MCO) Manual 09/13/2022 p. ~~150~~ 174



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Hospital-based Care Coordination for pregnant and postpartum individuals up to twelve (120 months with substance use disorder and their newborn(s) ages 18 and older. No prior authorization or referral required.¹⁸	Inpatient Hospitals, emergency rooms visits, outpatient hospitals, physician services, nurse practitioner services, other licensed practitioners' services, laboratory and x-ray services, prescribed drugs.	1/1/2022
<u>Doula Services</u>	<u>Inpatient Hospitals, outpatient hospitals, physician services, nurse practitioner services, other licensed practitioners' services</u>	<u>1 /1/2022</u>

Behavioral Health

<u>In Lieu of Service</u>	<u>Medicaid State Plan services(s)</u>	<u>Effective Date</u>
<u>23-Hour observation bed services for adult age 21 and older to allow for assessment to decide need for admission.¹⁹</u>	<u>Inpatient Psychiatric Hospitals</u>	<u>12/01/2015</u>
<u>Crisis Stabilization Units for adults age 21 and to provide services in the least restrictive level of care.²⁰</u>	<u>Emergency Services, Inpatient Hospitals</u>	<u>1/1/2020</u>
<u>Free standing psychiatric hospitals for adults ages 21-64 creates treatment beds outside the hospital and is less costly.²¹</u>	<u>General Hospital Psychiatric units</u>	<u>12/01/2015</u>

¹⁸ Louisiana Medicaid Managed Care Organization (MCO) Manual 09/13/2022 p. 153

¹⁹ 2023 Louisiana Medicaid Managed Care Organization (MCO) Manual 09/13/2022 p. 157180

²⁰ Louisiana Medicaid Managed Care Organization (MCO) Manual 09/13/2022 p. 157

²¹ 2023 Louisiana Medicaid Managed Care Organization (MCO) Manual 09/13/2022 p. 158180



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Applies to: ■ **Medicaid**

Injection services provided by a licensed nurse to adults ages 21 and older for psychotropics medication to ensure compliance and stability.²²

Physician Services

12/01/2015

Mental Health Intensive Outpatient Programs (IOP) to provide treatment in the least restrictive level of care, allowing an alternative to Inpatient hospitalization or Assertive Community Treatment and providing a step-down option from inpatient hospitalization for members at high risk for readmission.²³

Inpatient Psychiatric Hospitals

1/1/2020

Operating Protocol:

Measurement

- **Number of authorizations requests received**
- **Timeliness of decisions and notifications**

Reporting

- **Regulatory State Reports**
- **Utilization tracking and trending is reviewed by the CMO monthly and is reported at a minimum of quarterly to the QM/UM committee**

²² **2023** Louisiana Medicaid Managed Care Organization (MCO) Manual **09/13/2022 p. 158 180**

²³ **2023** Louisiana Medicaid Managed Care Organization (MCO) Manual **09/13/2022 p. 158 p. 181**



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Inter-Intra dependencies: List in Alpha order

Internal

- **Care Management**
- **Utilization Management**
- **Claims**
- **Finance**
- **Information Technology**
- **Medical Directors**
- **Medical Management**
- **Member Services**
- **Provider Services**
- **Quality Management**

External

- **Members**
- **Practitioners**
- **Providers**
- **Regulatory Bodies**
- **Louisiana Department of Health**

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Richard C. Born
Chief Executive Officer

Madelyn M. Meyn, MD
Chief Medical Officer

Jared Wakeman
Behavioral Health Medical Director

Review and Revision History

<u>10/2022</u>	<u>New policy</u>
<u>1/1/2023</u>	<u>Review and revised. Updated to contract citations</u>



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