In Lieu of Services (ILOS)

Billing and Reporting Guide

May 2024

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Document purpose

The following **In Lieu of Services (ILOS) Billing Guide is a resource intended for coordinated care organizations (CCO)** that outlines the process of billing for and reporting ILOS in Oregon. This guidance is only applicable to CCOs implementing approved ILOS, not to ILOS service providers. ILOS providers are encouraged to contact their CCOs' provider services for billing assistance. Additionally, this guidance is only applicable to ILOS and is not to be used as a billing or reporting guide for standard Medicaid services. Find additional ILOS guidance on the Oregon Health Authority (OHA) ILOS webpage.

Accessibility

You can get this document in other languages, large print, braille or a format you prefer. Contact the OHA ILOS team at ILOS.info@odhsoha.oregon.gov.

Summary of changes in the May 2024 version

- Updated organization and formatting of the document to improve navigation and readability.
- Updated programmatic details of ILOS to align with new federal guidance.
- Updated key points of the executive summary to focus on ILOS billing.
- Updated the claims and encounter data section to clarify ILOS billing options.
- Added definition of encounter claim and encounter data to the glossary.

Executive summary

In lieu of services (ILOS) are medically appropriate and cost-effective substitutes for existing covered benefits under the state Medicaid plan, Oregon Health Plan (OHP). ILOS must meet the Centers for Medicare & Medicaid Services (CMS) requirements outlined in 42 CFR 438.3(e)(2). Oregon's CCOs can offer ILOS to their members as an immediate or longer-substitute to OHP-covered benefits, or to reduce or prevent a member's need for OHP-covered benefits in the future. CCOs are not required to offer ILOS to their members.

Key points from this guidance include:

- ILOS providers must have an Oregon Medicaid provider identification number.
- Most ILOS providers are required to have a National Provider Identification (NPI) Number.
- **CCOs may be more prescriptive** than the ILOS provider requirements outlined in this document and the ILOS Program Overview.
- If an ILOS provider cannot submit a claim, CCOs may collect a **reduced dataset from ILOS providers**.
- OHA suggests certain procedure codes when billing for specific ILOS, though any procedure code that is valid on the date of service and accurately represents the service may be used.
- CCOs offering ILOS must submit encounter data to OHA; encounter data must include the **ILOS-specific modifier "V4."**
- **CCOs are required to report aggregate ILOS spending information** annually to OHA through the Exhibit L Financial Report, Reports L6, L18 and L18.1.

ILOS definition and requirements

In lieu of services (ILOS) are medically appropriate and cost-effective substitutes for covered benefits under Oregon's Medicaid state plan, Oregon Health Plan (OHP). ILOS must meet the following Centers for Medicare & Medicaid Services (CMS) requirements, per 42 CFR 438.3(e)(2):

- The state must determine the ILOS is a medically appropriate and cost-effective substitute for the covered benefit.
- Approved ILOS must be included in CCO contracts with OHA.
- CCOs cannot be required to offer ILOS.
- Members cannot be required to use ILOS.
- The use and actual cost of ILOS are considered in developing the component of the CCO's capitation rates that represents the covered benefits.

CCOs are **not required** to offer ILOS to their members. CCOs may choose to offer any of the approved ILOS included in CCO contracts at any point in a calendar year, after compliance with implementation requirements outlined in CCO contracts. CCOs are encouraged to work with their clinical and community-based partners to determine which ILOS may be appropriate and useful to their members. To learn more about ILOS' requirements and benefits, as well as the current list of approved ILOS in Oregon, see the ILOS Program Overview guidance document.

ILOS provider requirements

Provider types

Eligible provider types of each ILOS are outlined in the ILOS Program Overview guidance document. To assure quality and compliance, CCOs may be more prescriptive than the provider eligibility requirements outlined in guidance. As with covered benefits, ILOS providers must follow state and federal requirements for Medicaid providers and Medicaid services rendered.

National Provider Identifier (NPI)

NPI is a Health Insurance Portability and Accountability Act (HIPAA) Administrative Simplification Standard. The NPI is a unique identification number for covered health care providers.

- **ILOS rendering (service) providers** must have a valid and enrolled NPI. Under the Affordable Care Act (ACA), NPIs are required for every provider who delivers health services and are necessary to verify that providers are not on excluded lists.
- **ILOS billing providers** must either obtain a valid NPI or be enrolled as an atypical provider. Atypical providers are **not required** to have an NPI. See additional information about atypical providers in the glossary. Email OHA's Encounter Data Liaisons for assistance with case-specific questions to enable ILOS reimbursement.

- **Organizations serving as both the ILOS rendering and billing provider** must be enrolled by the CCO as the appropriate provider type. Work with the OHA Encounter Data Liaisons when setting up billing for ILOS.

Providers can apply for an NPI on the National Plan and Provider Enumeration System (NPPES) website. For NPI application instructions, follow CMS' step-by-step guide to initial application. To verify a provider's active enrollment status with Oregon Medicaid, use OHA's verification tool.

Oregon Medicaid provider identification number

Every provider on a claim and encounter data (rendering and billing providers) must be known to the Oregon Medicaid Management Information System (MMIS) and have a Medicaid provider identification number. To learn more about provider enrollment, CCOs should reference the OHA Oregon Health Plan Provider Enrollment webpage.

Contracts

ILOS providers must be contracted with the CCO prior to offering ILOS through formal agreement, memorandum of understanding or other commonly accepted agreement type.

Referral capacity and processes

ILOS providers must have sufficient capacity to receive referrals for all members authorized to receive the ILOS they are contracted to provide. The CCO must include the ILOS providers in their provider directory. The ILOS provider must follow the policies and procedures for ILOS provider referrals created by the CCO.

ILOS claims

ILOS provides flexibility to CCOs in how and where services are offered. To support this expansion, billing for ILOS can offer some flexibility in what and how billing information is collected from ILOS providers. CCOs are encouraged to work with their ILOS providers to determine the appropriate billing pathway.

Standard claims

For ILOS providers with the ability to submit a claim, ILOS can and should be paid for through Medicaid claims billing. ILOS billing is no different than billing for covered benefits, except for the inclusion of ILOS modifier "V4" for tracking purposes.

Reduced dataset option

For ILOS providers without Medicaid claims capabilities, several divisions of OHA, CCO staff and clinical and community-based partners collaborated on an alternative path to reduce the administrative burden of ILOS billing. In the event an ILOS provider is unable to submit a claim, CCOs may collect a limited dataset from an ILOS provider and add any remaining data needed to create and submit valid encounter data to OHA.

CCOs may collect this information from providers electronically, paper submissions, alternative payment models or other methods that reduce the administrative burden for providers. CCOs can also pre-populate many of the elements in the dataset to further simplify billing. **See the reduced dataset elements and definitions below. See Appendix A** for one example of how CCOs can collect this information from providers.

Reduced dataset elements

- ✓ National Provider Identifier (NPI) of billing and rendering provider, except for atypical providers
- ✓ Name and Medicaid ID number of member
- ✓ Valid diagnosis code(s), procedure code(s) and modifier(s)
- ✓ Billed amount for service
- ✓ CCO allowed and paid amounts for service

✓ **National Provider Identifier (NPI)**
An NPI is a unique, 10-digit identification number for covered health care providers and is required for ILOS providers, with the exception of atypical providers. See provider requirements for more information.

- ✓ **Member name and Medicaid ID number**
  The first name, last name and Medicaid ID number of the patient is required to verify the patient's eligibility and enrollment in OHP.
- ✓ **Diagnosis code(s)**
  A valid diagnosis code is required for successful submission. If the patient has not yet been diagnosed, a "signs & symptoms" or general diagnosis code should be used.
- ✓ **Procedure code(s)**
  A procedure code identifies the service provided and is required for successful submission. Any procedure code that is valid on the date of service and is an accurate representation of the service provided may be used. OHA has suggested potential procedure codes for 2024 ILOS.
- ✓ **Modifier(s)**
  A modifier is a billing code used to further define a procedure provided. Depending on the ILOS, certain modifiers may be required for successful submission; all ILOS claims and encounter data should include the ILOS-specific modifier "V4" for tracking purposes.
- ✓ **Billed amount**
  The billed amount is the dollar amount billed to the CCO for the service provided and is required for successful submission.
- ✓ **CCO allowed and paid amounts**
  The CCO allowed amount is the dollar amount allowable for the service provided as determined by the CCO. The CCO paid amount is the dollar amount the ILOS provider is reimbursed for the service provided. Both amounts are required for successful submission. See ILOS reimbursement rates for more information.

OHA suggested procedure codes and modifiers

Any procedure code valid on the date of service and an accurate representation of the ILOS provided may be used. The table below outlines OHA-recommended procedure codes and modifiers for CCOs offering ILOS. For definitions of the listed procedure codes and modifiers, see Appendix A, located on the OHA ILOS

webpage. **CCOs may choose to require the "V4" modifier on claims or limited datasets received from ILOS providers, but ILOS encounter data sent to OHA must include the ILOS-specific modifier "V4" for tracking purposes.**

OHA-suggested procedure codes and modifiers for Oregon ILOS*

ILOS	Procedure code(s)	Modifier(s)
Chronic disease self-management education programs – alternative setting	98961-2, S9445-6, S9451	V4 – ILOS
Community Health Worker services – alternative setting	99211, 99401-99404, H2014, H2016	V4 – ILOS
Infant mental health pre- & post-testing services	T1023	V4 – ILOS HA
Lactation consultations – alternative setting	99202, 99212, 99401-99404	V4 – ILOS
Online diabetes self-management programs	G0108, G0109, S9140, S9141, S9455, S9460, S9465, 97802, 97803, 97804, 99078, S9470	V4 – ILOS
Peer and Qualified Mental Health Associate services – alternative setting	H0038, H2014, H2016, T1016	V4 – ILOS GQ (Group)
STI, including HIV, testing and treatment services – alternative setting	36415, 96156-96171, 99202-99205, 99211-99215, 99401-99404, G0445	V4 - ILOS 95 for telehealth
Traditional Health Worker services for HIV/STI disease management – alternative setting	98906-98962, H2014, H2016	V4 - ILOS 95 for telehealth

*National Diabetes Prevention Program (DPP) is a covered benefit under OHP in clinical and community settings. CCOs are required to pay for it for eligible members and can do so through traditional Medicaid billing. Currently, CCOs are unlikely to have a use for National DPP ILOS. CCOs can learn more about National DPP and access billing technical assistance on the OHA National DPP webpage.

ILOS reporting requirements

Encounter data

Regardless of the billing pathway used with ILOS providers, CCOs must submit ILOS encounter data including the ILOS modifier "V4." CCOs that collect a limited dataset from their ILOS providers may need to supplement remaining data to submit valid encounter data to OHA.

CCOs can contact their assigned Encounter Data Liaison or email Encounter.DataSupport@odhsoha.oregon.gov with ILOS billing or encounter data submission questions.

Exhibit L

In addition to reporting through ILOS encounter data, CCOs are expected to report aggregate information to OHA annually through the Exhibit L Financial Report. Specific ILOS reporting requirements within the Exhibit L include:

- **Exhibit L, Report L6, Line Item 15:** CCOs are expected to report the total dollar amount incurred for ILOS provided in any of the categories listed in the CCO contract.
- **Exhibit L, Reports L18 and L18.1:** CCOs are expected to provide the total payments by ILOS category, separated by OHP vs. Non-Medicaid spending.

Find the current year's Exhibit L financial reporting template on OHA's CCO contract forms webpage.

ILOS reimbursement rates

CCOs are required to reimburse contracted ILOS providers for the provisions of approved ILOS to members. A CCO and their ILOS provider could negotiate rates of service, so long as the total cost for the ILOS is **not more** than the rate the CCO pays for the OHP covered benefit it is in lieu of. Agreed-upon rates should be documented in the payment agreement between the CCO and ILOS provider.

CCOs should also consider the limit of annual spending per ILOS program when developing reimbursement rates; the ILOS cost percentage should not exceed five percent per program. Agreed-upon rates should be documented in the payment agreement between the CCO and ILOS provider.

Glossary

Alternative setting: settings or places where the service is not already covered under OHP, for example community-based or non-clinical settings

Atypical provider: if a provider of a service is not covered under the NPI Rule, the CCO can enroll the provider as an "atypical" provider. OHA would then provide a Medicaid Provider identification number that the CCO would use when submitting encounter data. Only providers not covered under the NPI Rule can be enrolled as atypical. It is uncommon for providers to be classified as atypical.

Claim: an invoice describing the service administered by a provider to a member; sent from the service provider or billing organization to a CCO.

Encounter data: certain information required to be submitted by CCOs to OHA under OAR 410-141-3570 and related to services that were provided to members.

Contact

- **To learn more about ILOS, see the OHA ILOS webpage.**
- For CCOs with questions about implementing ILOS, please contact the OHA ILOS team at ILOS.info@odhsoha.oregon.gov.
- Providers, community organizations and members interested in providing or receiving an ILOS are encouraged to contact their CCO. Find the CCO serving your community and their contact information on the OHA CCO webpage.