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Insights

Indiana Medicaid Finalizes Rule Affecting ABA Therapy Services

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The Office of Medicaid Policy and Planning finalized a rule impacting applied behavioral analysis (ABA) Therapy services effective March 1, 2019. Affected services providers should review and revise business policies and practices to accommodate these new changes as applicable. Note that the final rule does not expressly apply to Medicaid Managed Care Entities ("MCE"). Affected services providers may want to reach out to their MCE representatives to determine whether and to what extent these new changes apply to Medicaid managed care clients. Here is a link to the final rule.

Some notable changes:

- Initial evaluation now requires use of the most recent American Psychiatric Association's Diagnostic and Statistical Manual of Mental Disorders (DSM) at the time of the evaluation.
- Treatment plans must be focused on addressing specific behavioral issues and community integration, and all treatment plans shall include a projected length of therapy.
- ABA therapy for direct services for more than 40 hours per week requires prior authorization.
- Determinations for hours and duration cannot be based upon: 1) other therapies that do not address the specific behaviors being targeted; and 2) any standardized formulas used to deduct hours based upon daily living activities.
- There are new requirements for additional hours outside of standard therapy.
- Excludes services that are duplicative, such as services rendered under an individualized educational plan that address the same behavioral goals using the same techniques as the treatment plan.

If you have questions regarding this or any other regulatory compliance issue, please contact Brandon W. Shirley at bshirley@kdlegal.com or Stephanie T. Eckerle at seckerle@kdlegal.com.