

# In Lieu of Services (ILOS)

## Billing Guide

March 2024



## In Lieu of Services (ILOS) Billing Guidance

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 ILOS in Oregon. Find additional ILOS guidance on the Oregon Health Authority (OHA) [ILOS webpage](#).

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## Executive Summary

**In lieu of services (ILOS)** are cost-effective and medically appropriate substitutes for existing covered services under the state Medicaid plan, Oregon Health Plan (OHP). ILOS must meet the Centers Medicare & Medicaid Services (CMS) requirements, per 42 CFR 438.3(e)(2). CCOs are not required to offer ILOS to their members. CCOs may choose to offer ILOS at any point in 2024, given amendment of member handbooks, addition of ILOS providers to provider directory and appropriate notification to members. As done with covered services, CCOs offering ILOS must submit encounter claims data to OHA. **Key points** from this guidance include:

- There are **nine ILOS available for CCO implementation** in 2024.
- CCOs may collect a **reduced dataset from ILOS providers without billing infrastructure** to enable claims submission.
- ILOS encounter claims must include the **ILOS-specific modifier V4** for tracking purposes.

### Oregon ILOS in 2024 CCO Contracts

- ✓ Community Health Worker Services - Alternative Setting
- ✓ Peer and Qualified Mental Health Associate Services - Alternative Setting
- ✓ Diabetes Self-Management Programs – Online Setting
- ✓ National Diabetes Prevention Program - Alternative Setting
- ✓ Chronic Disease Self-Management Education Programs - Alternative Setting
- ✓ Infant Mental Health Pre- & Post-Testing Services
- ✓ Lactation Consultations – Alternative Setting
- ✓ STI, Including HIV, Testing and Treatment Services – Alternative Setting
- ✓ Traditional Health Worker Services for HIV/STI Disease Management – Alternative Setting

- **CCOs may be more prescriptive** than the ILOS provider types and supervisory requirements outlined in descriptions.
- **CCOs are required to report aggregate ILOS spending information** annually to OHA through the Exhibit L Financial Report, Reports L6, L18 and L18.1.

## Definition & Requirements of ILOS

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

1. The alternative service or setting is a **medically appropriate and cost-effective substitute** for the covered service or setting,
2. The member is **not required** by the Coordinated Care Organization (CCO) to use the alternative service or setting,
3. The approved ILOS are included in the CCO contract and the CCO's member handbook,
4. The services offered must be available to all members who qualify, and
5. The utilization and actual cost of ILOS are considered in developing the medical component of the CCO's capitation rates.

The decision to offer ILOS is at the discretion of each CCO. CCOs are **not required** to offer ILOS to their members. CCOs may choose to offer ILOS at any point in a calendar year, given the amendment of member handbooks, addition of ILOS providers in provider directories and appropriate notification to members. CCOs are encouraged to work with their clinical and community-based partners to determine which ILOS may be appropriate and useful to their members.

## ILOS Included in 2024 Oregon CCO Contracts

The nine ILOS listed below have been reviewed by Centers for Medicare & Medicaid Services (CMS) and are available for CCO implementation in 2024. These ILOS were developed by several divisions of OHA, CCOs, community-based organizations (CBOs) and other community partners to address gaps in care and identified community needs.

1. **Community Health Worker Services – Alternative Setting**
2. **Peer and Qualified Mental Health Associate Services – Alternative Setting**
3. **Diabetes Self-Management Programs – Online Setting**
4. **National Diabetes Prevention Program – Alternative Setting**
5. **Chronic Disease Self-Management Education Programs – Alternative Setting**
6. **Infant Mental Health Pre – & Post-Testing Services**
7. **Lactation Consultations – Alternative Setting**
8. **STI, Including HIV, Testing and Treatment Services – Alternative Setting**
9. **Traditional Health Worker Services for HIV/STI Disease Management – Alternative Setting**

## Billing for ILOS

ILOS provides flexibility to CCOs in how and where services are offered. This flexibility allows CCOs to offer key services in innovative ways to meet members where they are. CCOs can use ILOS to offer services in a culturally and linguistically specific manner or in settings such as at community-based organizations that may not be able to independently bill. Several divisions of OHA, CCO staff and clinical and community-based partners collaborated to support this expansion and reduce the administrative burden of ILOS billing.

## Reduced Dataset for ILOS Providers

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 a valid encounter claim. This limited dataset was identified by OHA and CCOs to reduce the administrative burden of ILOS billing for providers without standard billing infrastructure. CCOs may collect this information from providers electronically or through paper, and CCOs can pre-populate many of the elements in the dataset to further simplify billing for ILOS providers. CCOs may also use Alternative Payment Models (APMs) for the purpose of ILOS. **See Appendix A** for *one example* of how CCOs can collect this information from providers.

CCOs must submit encounter data to OHA for ILOS provided to their members. If a CCO uses the limited dataset with ILOS providers, the CCO would still need to create a compliant 837 file that meets the national standard X12 transactions and code sets requirements. The **table below** includes the minimum data elements a CCO should collect from an ILOS provider.

### ILOS Reduced Dataset Elements

- ✓ National Provider Identifier (NPI) of Billing & Rendering Provider, except for Atypical Providers
- ✓ Name & Medicaid ID Number of Member
- ✓ Valid Diagnosis Code(s), Procedure Code(s) and Modifier(s)
- ✓ Billed Amount for Service
- ✓ Coordinated Care Organization (CCO) Allowed and Paid Amounts for Service

## National Provider Identifier (NPI) of Providers

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.

## Name & Medicaid ID # of Member

The first name, last name and Medicaid ID # of the patient is required to verify the patient's eligibility and enrollment in State Medicaid (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 of ILOS. ILOS providers may utilize any procedure code that is valid on the date of service and is an accurate representation of the service provided. OHA has suggested potential procedure codes for 2024 ILOS (see **pages 8-9**).

## Modifier(s)

A modifier is a billing code used to further define a procedure provided. Appropriate modifier(s), depending on the ILOS, is required for successful submission. **All ILOS claims must be submitted to OHA with 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 & 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.

## OHA-Recommended Procedure Codes & Modifiers

CCOs may utilize any procedure code that is valid on the date of service and is an accurate representation of the ILOS service provided. The table below outlines **OHA-recommended procedure codes and modifiers** for CCOs offering ILOS. **ILOS claims must include the ILOS-specific modifier “V4” for tracking purposes.** For definitions of the listed procedure codes and modifiers, see **Appendix A**.

OHA-Suggested Procedure Codes & Modifiers for 2023 Oregon ILOS		
ILOS	Procedure Code(s)	Modifier(s)
Peer and Qualified Mental Health Associate Services – <i>Alternative Setting</i>	<i>H0038, H2014, H2016, T1016</i>	<i>V4 – ILOS GQ (Group)</i>
Community Health Worker Services – <i>Alternative Setting</i>	<i>99211, 99401-99404, H2014, H2016</i>	<i>V4 – ILOS</i>
Diabetes Self-Management Programs – <i>Online Setting</i>	<i>G0108, G0109, S9140, S9141, S9455, S9460, S9465, 97802, 97803, 97804, 99078, S9470</i>	<i>V4 – ILOS</i>
Chronic Disease Self-Management Education Programs – <i>Alternative Setting</i>	<i>98961-2, S9445-6, S9451</i>	<i>V4 – ILOS</i>

Infant Mental Health Pre- & Post-Testing Services	<b>T1023</b>	<b>V4 – ILOS HA</b>
National Diabetes Prevention Program – <i>Alternative Setting</i>	<b>0403T</b> for synchronous, online or in-person classes and maintenance sessions <b>0488T</b> for online, asynchronous classes and maintenance sessions	<b>V4 – ILOS GT or 95</b> for telehealth delivery
Lactation Consultations – <i>Alternative Setting</i>	<b>99202, 99212, 99401-99404</b>	<b>V4 – ILOS</b>
STI, Including HIV, Testing and Treatment Services – <i>Alternative Setting</i>	<b>36415, 96156-96171, 99202-99205, 99211-99215, 99401-99404, G0445</b>	<b>V4 - ILOS 95 for telehealth</b>
Traditional Health Worker Services for HIV/STI Disease Management – <i>Alternative Setting</i>	<b>98906-98962, H2014, H2016</b>	<b>V4 - ILOS 95 for telehealth</b>

## Provider Requirements

Eligible provider types and supervisory requirements for each ILOS are outlined in the [list of approved Oregon ILOS](#). If an ILOS does not specifically state provider eligibility and supervisory requirements, the ILOS follows provider and supervisory requirements as outlined for the aligned State Plan service. **CCOs may be more prescriptive than the eligibility and supervisory requirements outlined in the ILOS descriptions.** It is up to each CCO’s discretion which additional criteria they may choose to require of ILOS providers.

## 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.

- **Note:** Billing encounters will process more easily if both rendering and billing providers have NPIs. [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](#).

## Division of Medical Assistance Programs Identification (DMAP ID)

Every provider on a claim (rendering and billing providers) must be known to MMIS and have a Medicaid/DMAP ID #. For ILOS billing or encounter data submission questions, [contact](#) your assigned Encounter Data Liaison or email [Encounter.DataSupport@odhsoha.oregon.gov](mailto:Encounter.DataSupport@odhsoha.oregon.gov).

## ILOS Reporting Requirements

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.

## Additional Definitions

**Alternative Setting** – Alternative Setting refers to non-clinical settings which have not traditionally been able to bill Medicaid due to a lack of traditional clinical supervision or billing systems.

**Atypical Provider** – If the provider of the service is not covered under [the NPI Rule](#), the CCO can enroll the provider as an "atypical" provider, which would provide a Medicaid Provider ID# that the CCO would then use in their transaction to send the encounter claim(s). Only providers not covered under the NPI rule can be enrolled as atypical.

**Cost-effective** – ILOS must be expected to cost no more than state plan services. Cost effectiveness comparisons may be made at the individual service level, at the larger episode of care level, or consider the overall cost of caring for the member's conditions, provided that total CCO costs are not expected to increase on account of providing ILOS.

**Medically appropriate** – Services must be provided in accordance with accepted standards of medical practice for the diagnosis or treatment of the patient’s condition. The service must:

1. Be provided in a setting appropriate to the patient's medical needs and condition;
2. Meet, but not exceed, the patient’s medical need; and
3. Be at least as beneficial as an existing and available alternative.

## Contact

For comments and questions regarding ILOS, please email the OHA ILOS team at [ILOS.info@oha.oregon.gov](mailto:ILOS.info@oha.oregon.gov).

## 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@oha.oregon.gov](mailto:ILOS.info@oha.oregon.gov).