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**TITLE 407 OFFICE OF THE CHILDREN'S HEALTH INSURANCE PROGRAM**

**Proposed Rule**  
LSA Document #08-932

DIGEST

Amends [407 IAC 3-7-1](#) to remove limitations in the children's health insurance program (CHIP) for the coverage of inpatient mental health and substance abuse services not covered when provided in an institution for mental diseases with more than 16 beds, outpatient mental health and substance abuse services, and community mental health rehabilitation services (Medicaid rehabilitation option). Amends [407 IAC 3-13-1](#) to remove limitations in CHIP coverage for case management services for mentally ill and emotionally disturbed individuals and services provided in inpatient mental health facilities (other than acute care hospitals) with more than 16 beds. Repeals [407 IAC 3-2](#). Effective 30 days after filing with the Publisher.

[IC 4-22-2.1-5 Statement Concerning Rules Affecting Small Businesses](#)

[407 IAC 3-2](#); [407 IAC 3-7-1](#); [407 IAC 3-13-1](#)

SECTION 1. [407 IAC 3-7-1](#) IS AMENDED TO READ AS FOLLOWS:

**[407 IAC 3-7-1](#) Reimbursement limitations**

**Authority:** [IC 12-17.6-2-11](#)

**Affected:** [IC 12-17.6](#)

Sec. 1. (a) Reimbursement is available for mental health services subject to the limitations set out in the Medicaid program as well as additional limitations set forth in this rule.

~~(b) Inpatient mental health and substance abuse services are not covered when provided in an institution for mental diseases with more than sixteen (16) beds.~~

~~(c)~~ **(b)** Psychiatric residential treatment facility (PRTF) services are not covered by the children's health insurance program.

~~(d) Outpatient mental health and substance abuse services are limited to a maximum of thirty (30) office visits per rolling twelve (12) month period without prior approval. Up to twenty (20) additional visits up to a maximum of fifty (50) visits per rolling twelve (12) month period may be prior authorized subject to Medicaid prior authorization criteria.~~

~~(e)~~ **(c)** Reimbursement is not available for reservation of beds in psychiatric hospitals.

~~(f) Community mental health rehabilitation services (Medicaid rehabilitation option) are not covered by the children's health insurance program.~~

*(Office of the Children's Health Insurance Program; [407 IAC 3-7-1](#); filed May 3, 2000, 2:02 p.m.: 23 IR 2236; filed Jul 21, 2004, 5:01 p.m.: 27 IR 3987; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424)*

SECTION 2. [407 IAC 3-13-1](#) IS AMENDED TO READ AS FOLLOWS:

**[407 IAC 3-13-1](#) Noncovered services**

**Authority:** [IC 12-17.6-2-11](#)

**Affected:** [IC 12-17.6](#)

Sec. 1. The following services are not covered by CHIP:

(1) Services that are not covered by the Medicaid program.

- (2) Services provided in a nursing facility.
- (3) Services provided in an intermediate care facility for the mentally retarded (ICF/MR).
- (4) Private duty nursing.
- (5) Case management services for the following:
  - (A) Persons with HIV/AIDS.
  - (B) Pregnant women.
  - ~~(C) Mentally ill or emotionally disturbed individuals.~~
- (6) Nonambulance transportation.
- (7) Services provided by Christian Science nurses.
- (8) Services provided in Christian Science sanatoriums.
- (9) Organ transplants.
- (10) Over-the-counter drugs (except insulin).
- (11) Reserved beds in psychiatric hospitals.
- ~~(12) Services provided in inpatient mental health facilities (other than acute care hospitals) with more than sixteen (16) beds.~~
- ~~(13)~~ **(12)** Psychiatric residential treatment facility (PRTF) services.
- ~~(14)~~ **(13)** Any other service or supply listed in this article as noncovered.

*(Office of the Children's Health Insurance Program; [407 IAC 3-13-1](#); filed May 3, 2000, 2:02 p.m.: 23 IR 2237; filed Jul 21, 2004, 5:01 p.m.: 27 IR 3987; readopted filed May 22, 2006, 3:22 p.m.: 29 IR 3424)*

SECTION 3. [407 IAC 3-2](#) IS REPEALED.

[Notice of Public Hearing](#)

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