IHCP *bulletin*

INDIANA HEALTH COVERAGE PROGRAMS BT2026178 OCTOBER 22, 2026

IHCP updates prior authorization guidance for CCBHC MRO-equivalent services

The Indiana Health Coverage Programs (IHCP) is providing updated guidance on the prior authorization (PA) process for Medicaid Rehabilitation Option (MRO)-equivalent services that are provided by certified community behavioral health clinics (CCBHCs) and reimbursed under the CCBHC prospective payment system (PPS) rate. This updated process takes effect Jan. 1, 2027.

This update applies only to MRO-equivalent services provided by CCBHCs. The PA process for MRO services provided outside a CCBHC, such as by a community mental health center (CMHC), is not changing.

"MRO-equivalent services" refers to the services historically included in the MRO service package but provided at a CCBHC service location. CMHC clients are authorized for these services through an MRO service package (referred to as “CMHC MRO service package”). Since the start of the CCBHC Medicaid Demonstration Project, individuals receiving CCBHC services have been authorized for units of the same services under CCBHC, outside of MRO. This new service authorization is now referred to as the “CCBHC MRO-equivalent service authorization.”

Updated PA process for MRO-equivalent services provided at CCBHCs

The updated PA process for MRO-equivalent services provided at CCBHCs will leverage the current CMHC MRO process in the Division of Mental Health and Addiction (DMHA) Data Assessment Registry for Mental Health and Addiction (DARMHA) database. Starting Jan. 1, 2027, the DMHA will automatically send level of need (LON) 4 service authorization data and the diagnosis information to Gainwell Technologies to check for MRO service eligibility for each individual receiving CCBHC services who is Medicaid eligible and has a diagnosis record in DARMHA. If one of the diagnosis codes provided is an MRO-eligible code, a CCBHC service authorization of LON 4 will be created automatically for individuals receiving CCBHC services. For the list of MRO-eligible diagnosis codes, see *Medicaid Rehabilitation Option (MRO) Services Codes*, accessible from the *Code Sets* webpage at in.gov/medicaid/providers.

To receive the updated CCBHC MRO-equivalent service authorization, it is required that an individual has an MRO-eligible diagnosis. Providers are not required to conduct a Child and Adolescent Needs and Strengths (CANS) or Adult Needs and Strengths Assessment (ANSA). Providers also do not need to select **Yes** for the Send for MRO field in DARMHA to establish that LON 4 authorization.

Program transition

CCBHC providers that believe an individual receiving services will require an LON service authorization of LON 5 or higher should complete the steps in the *Requesting a different LON service authorization* section by Dec. 31, 2026. On Jan. 1, 2027, the DMHA will automatically send available information to Gainwell to establish these new LON 4 service authorizations for all individuals receiving CCBHC services who do not already have a package in place. No current CMHC MRO service packages will change on Jan. 1; all CMHC MRO service packages will remain the same. On Jan. 1, all existing CCBHC MRO-equivalent service authorizations will be reissued with the full LON 4 unit allotment. When necessary, any CANS/ANSA assessments must be current and must be resubmitted.

Requesting a different LON service authorization

If an individual receiving CCBHC services requires a higher LON, the provider should complete the following steps in DARMHA:

1. Submit an MRO-eligible diagnosis record.
2. Complete and submit a CANS or ANSA to the DARMHA database.

> *Note: If a submitted CANS or ANSA demonstrates a lower LON than LON 4, the LON 4 default package will still apply.*

3. Select **Yes** for the Send for MRO field.
   - ⇨ The Send for MRO field triggers DARMHA to send the assessment and diagnosis information to Gainwell to establish the individual's higher MRO service authorization of 5 or 6. **Providers do not need to select Yes to establish the default LON 4 service authorization.**

After an individual has been assigned either a CMHC MRO package or a CCBHC MRO-equivalent service authorization, no other MRO-equivalent service authorization can be started until after the end date of the current authorization. Providers should send the LON 5 or 6 data within the 30 days before the current service authorization ends. The day after the current service authorization ends, the automated CCBHC MRO-equivalent LON 4 service authorization update process will occur if no other action is taken.

Providers will need to request PA when a CCBHC MRO-equivalent service authorization has been exhausted or when an individual requires a higher LON service authorization than the one currently assigned. CANS or ANSA scores may be included in a PA request to support medical necessity.

Service authorization duration

Each MRO-equivalent service authorization is authorized for 180 days with a start and end date. ***The 180-day lookback period from the date of service will no longer apply.***

For more information

For general information about MRO service delivery, see the *Medicaid Rehabilitation Option Services* provider reference module. Please note that some information in that module (such as billing procedures and service package authorization requirements) does not apply to MRO-equivalent services provided by CCBHCs. For information on the MRO-equivalent billing, please refer to all bulletins currently published for CCBHC billing processes on the *IHCP Bulletins* webpage at in.gov/medicaid/providers.

For further questions, please reach out to CCBHCQuestions@fssa.in.gov.

QUESTIONS

If you have questions about this publication, please contact Customer Assistance at 800-457-4584.

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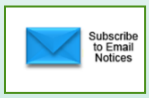
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