



# Iowa Department of Human Services

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## INFORMATIONAL LETTER NO.1700

**DATE:** July 25, 2016

**TO:** Iowa Medicaid Case Managers, Service Workers, Supervisors, Service Area Administrators, Integrated Health Homes (IHH), Health Homes (HH), Home- and Community-Based Services (HCBS) Waiver Providers, Habilitation Providers and Managed Care Organizations (MCO)

**FROM:** Iowa Department of Human Services (DHS), Iowa Medicaid Enterprise (IME)

**RE:** HCBS Prevocational and Supported Employment Service Procedure Code Changes

**EFFECTIVE:** September 1, 2016

This letter is to serve as notification that in order to comply with the federal correct coding guidelines the IME will be introducing Level II Healthcare Common Procedure Coding System (HCPCS) codes for Tier 1 Long Term Job Coaching and for Individual Supported Employment and to provide clarification regarding a unit of service for Individual Supported Employment.

HCPCS Level II codes commonly are referred to as national codes or by the acronym HCPCS. HCPCS codes are used for billing Medicare and Medicaid patients and have been adopted by some third-party payers. These codes, updated and published annually by the Centers for Medicare and Medicaid Services (CMS), are intended to supplement the Current Procedural Terminology (CPT) coding system by including codes for nonphysician services, administration of injectable drugs, durable medical equipment (DME) and office supplies.

Beginning September 1, 2016, for the Fee-For-Service (FFS) population, the IME will begin using the U4 modifier in conjunction with H2025 for Tier 1 of Long Term Job Coaching, and the UC modifier with T2018 Individual Supported Employment.

For FFS billing for the months of May through August 2016, providers should continue to submit their claims for Tier 1 Long Term Job Coaching using H2025 without the Level II modifier and T2018 Individual Supported Employment without the Level II modifier.

For services with a date of service beginning September 1, 2016, or after, the service must be authorized and billed using the HCPCS procedure code and the HCPCS Level II modifier as follows:

- H2025 U4 for Tier 1 of Long Term Job Coaching
- T2018 UC for Individual Supported Employment

The updated [HCBS Prevocational and Supported Employment Fee Schedule](#)<sup>1</sup> is posted on the DHS website.

**Procedure Codes and Fee Schedule effective September 1, 2016:**

Service/Activity	New Code	Basis	Unit	Rate
Prevocational Hourly	T2015	Fee Schedule	Hourly	\$10.00
Career Exploration (New Service)	T2015 U3	Fee Schedule	Hourly	\$38.27
Supported Employment - Individual Long Term Job Coaching:				
Tier 1 = 1 Contact / Month	H2025 U4	Fee Schedule	Month	\$67.67
Tier 2 = 2-8 Hrs./Month	H2025 U3	Fee Schedule	Month	\$361.58
Tier 3 = 9-16 Hrs./Month	H2025 U5	Fee Schedule	Month	\$722.15
Tier 4 = 17-25 Hrs./Month	H2025 U7	Fee Schedule	Month	\$1,129.18
Tier 5 = 26+ Hrs./Month	H2025 UC	Fee Schedule	Hour	\$45.16
Supported Employment - Small Group				
Tier 1 = Groups of 2-4	H2023 U3	Fee Schedule	Per person, 15-min unit	\$2.84
Tier 2 = Groups of 5-6	H2023 U5	Fee Schedule	Per person, 15-min unit	\$1.77
Tier 3 = Groups of 7-8	H2023 U7	Fee Schedule	Per person, 15-min unit	\$1.26
Supported Employment-Individual Supported Employment	T2018 UC	Fee Schedule	Hourly	\$66.13

Please note that the rates listed above reflect the one percent rate increase appropriated in HF2460 for HCBS Waiver services effective July 1, 2016.

FFS Case Managers and IHH Care Coordinators should follow the instructions in [Informational Letter 1665](#)<sup>2</sup> to make the necessary changes in the FFS member's service plans.

The department wishes to clarify that the number of hourly units of Individual Supported Employment T2018 UC is limited to 40 hourly units for the first authorization and 20 hourly units for the second authorization. The 240 unit limit was representative of a 15 minute unit of service and not an hour. The fee schedule has been updated and the department will make the technical correction in the administrative rule.

Questions regarding HCBS Prevocational and Supported Employment services may be addressed to LeAnn Moskowitz, Program Manager at [lmoskow@dhs.state.ia.us](mailto:lmoskow@dhs.state.ia.us).

<sup>1</sup> [https://dhs.iowa.gov/sites/default/files/HCBS\\_Prevocational\\_and\\_Supported\\_Employment\\_Fee\\_Schedule.pdf](https://dhs.iowa.gov/sites/default/files/HCBS_Prevocational_and_Supported_Employment_Fee_Schedule.pdf)

<sup>2</sup> [https://dhs.iowa.gov/sites/default/files/1665\\_HCBSPrevocationalandSupportedEmploymentServiceChanges.pdf](https://dhs.iowa.gov/sites/default/files/1665_HCBSPrevocationalandSupportedEmploymentServiceChanges.pdf)