



American Music Therapy Association

8455 Colesville Rd., Ste. 1000 • Silver Spring, Maryland 20910
Tel. (301) 589-3300 • Fax (301) 589-5175 • www.musictherapy.org

Reimbursement Overview

Medicare

A. Partial Hospitalization

Music therapy is a covered service in Partial Hospitalization Programs (PHP) using the Healthcare Common Procedure Coding System (HCPCS). Facilities can bill Medicare using HCPCS code G0176 to document that music therapy services were provided.

B. Prospective Payment System (PPS)

Music therapy services can be covered through the Medicare Prospective Payment System or PPS. Although music therapy does not receive direct reimbursement from Medicare for services provided, music therapists can be included as part of the package that is covered under the PPS within skilled nursing facilities/nursing homes, in-patient psychiatric programs, hospice programs, and in-patient rehab settings.

PPS Example

In-patient Rehabilitation Facilities (IRFs)

The 2010 Centers for Medicare and Medicaid Services (CMS) regulations for in-patient rehabilitation facilities identified music therapy as a service that can be a part of the total rehab program and thus a part of the daily Medicare Prospective Payment System (PPS). This formal clarification, which continues to reflect the position of CMS, is helpful to in-patient rehab facilities interested in providing music therapy services. To read the actual language, please view page 34 and search “music therapy” within the following document:

<http://edocket.access.gpo.gov/2009/pdf/E9-18616.pdf>

C. Minimum Data Set (MDS)

This extensive assessment tool has many sections in which music therapists can provide input to the treatment team but not all sections of this document have an impact on the reimbursement a facility receives from Medicare. To assist facilities access additional funding, music therapists can document minutes under Restorative Care. This program usually is managed by nursing and in many facilities, CNAs or certified nurse assistants facilitate this program. Some facilities, however, do not have the necessary staff that is trained to offer this service and as a result, these facilities turn to recreation therapy and music therapy for programming assistance.

Several programs that music therapists typically provide in skilled or residential care facilities may fall under Restorative Care. Exercise programs, socialization groups, and orientation sessions are a few examples of interventions that might help to address Restorative Care needs of clients. The best way to explore this option of documenting music therapy under the Restorative Care section of the MDS is by collaborating with the MDS coordinator in a facility.

Please remember that music therapy cannot bill Medicare directly for services, but instead, can provide and document services under the existing Restorative Care section of the MDS. When quality services are provided and documented under this heading, the facility in turn, receives more reimbursement from Medicare. In other words, the facility receives an additional amount of funding on top of the flat daily PPS payment. In AMTA's communication with CMS regional offices across the country, we have learned that it is not possible to determine the exact amount of additional reimbursement a facility receives when Restorative Care programming is offered. This is due to a variety of complex factors involved in the Prospective Payment System (PPS), such as the Case Mix Adjustment and RUGs or Resource Utilization Groups.

The MDS 3.0 assessment tool also lists music therapy under Section O. Special Treatments and Procedures, O0400. Therapies, F. Recreational Therapy (includes recreational and music therapy). Although this listing does not provide additional reimbursement for the facility, it does provide a more accurate vehicle for documenting physician-ordered music therapy services in settings utilizing the MDS and helps to validate the inclusion of music therapy as a part of the PPS daily rate.

Medicaid Waivers

Medicaid waivers are programs developed by each state that focus on specific client groups or diagnoses and provide additional services that are not covered by other funding sources. There are currently a few states that allow payment for music therapy services through use of Medicaid Home and Community Based Care waivers with certain client groups. In some situations, although music therapy may not be specifically listed within regulatory language, due to functional outcomes achieved, music therapy interventions qualify for coverage under existing treatment categories such as community support, rehabilitation, or habilitation services. Some examples are listed below.

Arizona: Medicaid coverage for music therapy provided to individuals with developmental disabilities.

Indiana: Home and Community-Based Waivers managed by the Division of Disability and Rehabilitation Services includes music therapy as a covered service for the following waiver programs: Developmental Disability Waiver, Autism Waiver, and Support Services Waiver.

Maryland: Music therapy is a covered service under the state's Autism Waiver and the Residential Treatment Center Demonstration Waiver

Michigan: Music therapy is a covered service under Medicaid Children's Waiver Program.

Texas: Music therapy is listed as a health service under several In Home and Family Support Program Waivers

Wisconsin: Music therapy is a covered service within the Brain Injury Waiver (BIW) and the Children's Long-Term Support Waiver.

In addition to waiver program examples listed above, other states have utilized state and county agency funds and population specific waivers (i.e., autism, developmental disabilities) to cover the provision of music therapy interventions in a variety of settings. These states include: Colorado, Georgia, Hawaii, Missouri, Minnesota, New Jersey, North Carolina, Ohio, Pennsylvania, South Dakota, Virginia, Washington.

Private Insurance

Companies like Blue Cross Blue Shield, United Healthcare, Cigna, and Aetna have all paid for music therapy services at some time. Success has occurred on a case-by-case basis when the therapist implements steps within the reimbursement process and receives pre-approval for music therapy services.

Guidelines for Use of Current Procedural Terminology (CPT) Codes by Music Therapists

The American Medical Association CPT Editorial Panel has stated that music therapy services can be reported using existing CPT codes.

It is important to recognize that the listing of a service or procedure and its code number in a specific section of this book does not restrict its use to a specific specialty group. Any procedure or service in any section of this book may be used to designate the services rendered by any qualified physician or other qualified health care professional.

CPT® 2011 Professional Edition

Policies on the use of CPT codes for procedures and interventions conducted by the Board Certified Music Therapist are service specific, **not** discipline specific. This is consistent with policies in use by third party administrators. Referrals for procedures are made by physicians to disciplines which are trained and qualified, in accordance with their scope of practice.

Music therapy services within select hospital in-patient programs have been successfully billed to private insurance companies when standard industry requirements are completed. These include:

Revenue Codes

Recommended revenue codes for reporting music therapy services on in-patient claim forms, include 0940, "Other Therapeutic Services-General Classification" or 0949, "Other Therapeutic Services." Use of these revenue codes is not a guarantee of reimbursement, but these codes assist facilities more accurately report the provision of music therapy services.

ICD-9-CM Procedure Code

Music therapy is included in the ICD-9-CM procedure codes under Category 93, "Physical Therapy, Respiratory Therapy, Rehabilitation, and Related Procedures". Code 93.8, identifies "Other rehabilitation therapy", while 93.84 specifically identifies "Music therapy." This ICD-9-CM code may be utilized by inpatient facilities when reporting the provision of music therapy.

Other Payers

A. Workers' Compensation

As states attempt to contain the costs associated with workers' compensation, many of these programs are now provided through managed care plans from the private insurance market. Requiring pre-approval before services can be offered and working with case managers are common among workers' compensation programs. Some music therapists have received reimbursement from this type of coverage, specifically in the treatment of traumatic brain injury (TBI), physical rehabilitation, or pain management.

B. TRICARE

TRICARE is the health care program serving active duty service members, National Guard and Reserve members, retirees, their families, survivors and certain former spouses worldwide. Access to this funding is rare, but some music therapists have reported successful reimbursement from this payment source.