MEDICAL POLICY

Medical Policy Title	**Partial Hospitalization for Substance Use Disorders**
Policy Number	**3.01.18**
Current Effective Date	**August 20, 2026**
Next Review Date	**August 2027**

Our medical policies are guides to evaluate technologies or services for medical necessity. Criteria are established through the assessment of evidence based, peer-reviewed scientific literature, and national professional guidelines. Federal and state law(s), regulatory mandates and the member's subscriber contract language are considered first in the determination of a covered service. (Link to Product Disclaimer)

POLICY STATEMENT(S)

The NYS Level of Care Determination (LOCADTR) 3.0 Tool, used to define and review levels of care for substance use disorder (SUD), does not address SUD partial hospitalization program (PHP) level of care, also referred to as high-intensity outpatient (HIOP). For this level of care, the Health Plan utilizes the American Society of Addiction Medicine (ASAM) definition of SUD PHP/HIOP services for adults and adolescents and applies ASAM Level 2.5 criteria to evaluate medical necessity.

I. For SUD PHP services to be considered **medically necessary**, the following ASAM criteria must be met:

   A. Admission Criteria

      1. The individual must be evaluated by a licensed clinician and meet the criteria for substance use diagnosis/disorder in the most current version of the Diagnostic and Statistical Manual of Mental Disorders (DSM) which includes dysfunction due to acute symptomatology requiring a medically supervised intervention to achieve stabilization. The evaluation must include psychiatric and medical assessment. Information for the assessment may also be obtained from a significant other, family member, or another important resource.
      2. The level of care requested for the individual is SUD PHP, and ASAM 2.5 criteria have been satisfied.
      3. The individual's medical/withdrawal symptoms may include, but are not limited to, mild-to-moderate symptoms that can be managed in a PHP for SUD, as long as the program has adequate nursing/protocol/medical staffing for safety and all other ASAM 2.5 criteria have been met.

   B. Continuing Stay Criteria (concurrent review)

      1. Continuing stay for PHP level of care is appropriate where ASAM 2.5 criteria are satisfied and daily clinical assessment is documented, with the following services being performed on a weekly basis and addressed in the documentation:

         a. SUD evaluation; and

         b. Medication evaluation and initiation of clinically indicated medications for SUD while

the individual is in this level of care.

C. Discharge Criteria

1. The individual no longer meets ASAM 2.5 criteria or the individual's treatment goals are completed.

RELATED POLICIES

Corporate Medical Policy

2.02.50 Urine Drug Testing

3.01.19 Treatment of Gambling Disorder and Other Repetitive Behaviors

POLICY GUIDELINE(S)

I. Services offered are designed to address a mental health or substance-use/substance-related and addictive disorder through an individualized treatment plan provided by a coordinated multidisciplinary treatment team.

II. Urine drug screening (UDS) as part of treatment should occur as clinically indicated.

DESCRIPTION

SUD is a chronic, treatable medical condition characterized by a pattern of substance use that results in clinically significant impairment or distress. Individuals with SUD may experience impaired control over substance use, social and occupational impairment, risky use, and physiological symptoms related to tolerance and withdrawal. The presentation and severity of SUD vary among individuals and may change over time, and are classified in the most current edition of the DSM.

Partial hospitalization programs (PHPs, also known as High-Intensity Outpatient (HIOP), are an intensive outpatient treatment level of care within the SUD treatment continuum. PHPs provide daily clinical, diagnostic, and treatment programming for people who do not need the more restrictive and intensive living environment of a 24-hour residential or inpatient setting, but whose clinical needs exceed what can be managed in an Intensive Outpatient (IOP) program. PHPs provide 20 or more hours of clinically intensive programing per week.

SUPPORTIVE LITERATURE

The ASAM Criteria is the most widely used and comprehensive set of standards for placement, continued service, transfer, or discharge of patients with addiction and co-occurring conditions. The ASAM Criteria also defines standards for the different levels of care across the continuum, describing the setting, staffing, service intensity and other core elements at each level of care. Formerly known as the ASAM patient placement criteria, the ASAM Criteria is the result of a collaboration that began in the 1980s to define one national set of criteria for providing outcome-oriented and results-based care in the treatment of addiction.

The ASAM Criteria uses six dimensions to assess a person's addiction treatment needs and to determine an appropriate level of care recommendation. Patients are regularly reassessed as they

receive treatment and may transition to a less intensive level of care (e.g., outpatient therapy), a higher level of care (e.g., medically managed intensive outpatient), or continue at the current level of care.

The six dimensions include:

1. Intoxication, Withdrawal, and Addiction Medications
2. Biomedical Conditions
3. Psychiatric and Cognitive Conditions
4. Substance Use-Related Risks
5. Recovery Environment Interactions
6. Person-Centered Considerations

PROFESSIONAL GUIDELINE(S)

Not Applicable

REGULATORY STATUS

According to the Compilation of Codes, Rules and Regulation of the State Of New York (NYS) Office of Mental Health (OMH), Section 587.12, a partial hospitalization program shall provide active treatment designed to stabilize and ameliorate acute symptoms, to serve as an alternative to inpatient hospitalization, or to reduce the length of a hospital stay within a medically supervised program.

Effective September 1, 2016, the Health Plan began using the Level of Care Determination (LOCADTR) 3.0 Tool, developed by the New York State (NYS) Office of Addiction Services and Supports (OASAS), to define and review all levels of care for substance use disorder (SUD) that are addressed in LOCADTR.

CODE(S)

- Codes may not be covered under all circumstances.
- Code list may not be all inclusive (AMA and CMS code updates may occur more frequently than policy updates).
- (E/I)=Experimental/Investigational
- (NMN)=Not medically necessary/appropriate

CPT Codes

Code	Description
Multiple Codes	

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HCPCS Codes

Code	Description
S0201	Partial hospitalization service, less than 24 hours, per diem

ICD10 Codes

Code	Description
Multiple Codes	

REFERENCES

American Addiction Centers [Internet]. Partial hospitalization programs (PHP) for addiction. 2025 Jan 21 [accessed 2026 Jul 14]. Available from: https://americanaddictioncenters.org/rehab-guide/outpatient-treatment/partial-hospitalization-programs

American Psychiatric Association: Diagnostic and Statistical Manual of Mental Disorders, Fifth Edition, Text Revision (DSM-5-TR). Washington, DC, American Psychiatric Association, 2022.

American Society of Addiction Medicine (ASAM) [Internet]. The ASAM Criteria [accessed 2026 Jul 14]. Available from: https://www.asam.org/asam-criteria

Hall MT, et al. Trends and associations in patient ratings using the American Society of Addiction Medicine Criteria, 2013-2022. J Addict Med. 2025 Nov-Dec 01;19(6):716-721.

Office of Addiction Services and Supports [Internet]. Level of care for alcohol and drug treatment referral (LOCADTR) and LOCADTR for gambling treatment [accessed 2026 Jul 14]. Available from: https://oasas.ny.gov/locadtr

New York State [Internet]. State Register. New York Codes, Rules, and Regulations (CRR-NY). Title 14 Department of Mental Health. Chapter XIII Office of Mental Health. Part 587 Operation of outpatient programs. Section 587.12 Partial hospitalization programs. Available from: https://dos.ny.gov/state-register [accessed 2026 Jul 14].

Waller, RC, et al., (Eds.). The ASAM Criteria: Treatment Criteria for Addictive, Substance-Related, and Co-occurring Conditions. 4th ed., Hazelden Publishing; 2023.

SEARCH TERMS

Not Applicable

CENTERS FOR MEDICARE AND MEDICAID SERVICES (CMS)

Treatment of Drug Abuse (Chemical Dependency (NCD 130.6) [accessed 2026 Jul 14]

Psychiatric Partial Hospitalization Programs (LCD L33626) [accessed 2026 Jul 14]

PRODUCT DISCLAIMER

- Services are contract dependent; if a product does not cover a service, medical policy criteria do not apply.
- If a commercial product (including an Essential Plan or Child Health Plus product) covers a specific service, medical policy criteria apply to the benefit.
- If a Medicaid product covers a specific service, and there are no New York State Medicaid guidelines (eMedNY) criteria, medical policy criteria apply to the benefit.
- If a Medicare product (including Medicare HMO-Dual Special Needs Program (DSNP) product) covers a specific service, and there is no national or local Medicare coverage decision for the service, medical policy criteria apply to the benefit.
- If a Medicare HMO-Dual Special Needs Program (DSNP) product DOES NOT cover a specific service, please refer to the Medicaid Product coverage line.

POLICY HISTORY/REVISION	
Committee Approval Dates	
08/25/17, 10/25/18, 08/22/19, 08/27/20, 08/19/21, 08/18/22, 08/17/23, 08/22/24, 08/21/25, 08/20/26	
Date	**Summary of Changes**
08/20/26	• Annual review, policy intent unchanged.
08/21/25	• Annual review, policy intent unchanged.
02/03/25	• Off-cycle policy edit to include ASAM 4th edition terminology, high-intensity outpatient, and reference. Policy intent unchanged.
01/01/25	• Summary of changes tracking implemented.
08/25/16	• Original effective date