

INFORMATIONAL LETTER NO. 2712-MC

DATE: November 14, 2025

TO: All Behavioral Health Providers

APPLIES TO: Managed Care Organizations (MCOs)

FROM: Iowa Department of Health and Human Services (HHS),
Iowa Medicaid

RE: Behavioral Health Providers Billing Medicare

EFFECTIVE: December 01, 2025

Effective for claims received by Managed Care Organizations (MCOs) on or after December 1, 2025, marriage and family therapists (MFTs), mental health counselors (MHCs), Substance Use Disorder Counselors, and providers of Intensive Outpatient Program (IOP) services **must be** enrolled with Medicare to continue serving Iowa Medicaid members who have Medicare as their primary insurance. This requirement applies to all forms of Medicare coverage, i.e. Traditional Medicare, Medicare Advantage (MA), and D-SNP. Providers serving members under any of these Medicare plan types must enroll and bill Medicare as the primary payer.

Starting on that date, Medicare will be the primary payer for these services, with Iowa Medicaid (MCOs) responsible only for secondary cost-sharing such as coinsurance and deductibles. This change reflects the Centers for Medicare and Medicaid Services (CMS) expansion of coverage recognizing MFTs, MHCs, and IOP services under the Consolidated Appropriations Act of 2023, ending the previous exemption that allowed Medicaid to serve as the primary payer for services not previously recognized by Medicare.

Service providers who treat dual eligible members are **required** to enroll with Medicare for primary payment. Claims submitted for services rendered by a practitioner or entity who have opted out of Medicare will be denied by the MCOs. If you are currently seeing a dual-eligible member (Medicare + Medicaid) and you choose not to enroll with Medicare, we strongly encourage a transition to a Medicare-enrolled behavioral health provider.

The GY modifier should be used on Medicare primary claims only when the service or practitioner is categorically excluded from Medicare coverage. This includes the situations below where Medicare is primary:

1. Per Medicare rules providers who are temporary licensed cannot bill independently and their supervisor is not able to bill on behalf of a temporary licensed provider. Claims submitted to the MCOs may be billed under the supervisor's NPI with the GY appended to the CPT/HCPCs submitted.
2. Community Mental Health Centers (CMHC), Certified Community Behavioral Health Clinics (CCBHC), and Behavioral Health Facility claims billed without a practitioner when the services are rendered by a practitioner who is ineligible based on specialty to enroll with Medicare.

It is critical to note that incorrect use of the GY modifier—such as applying it to services that are merely denied or not reimbursed by Medicare—may result in claim denials or trigger recovery actions. Enrolling with Medicare: Medicaid-enrolled MFTs, MHCs, Substance Use Disorder Counselors, and IOP service providers interested in becoming Medicare-enrolled should follow the enrollment instructions available at:

<https://www.cms.gov/files/document/marriage-and-family-therapists-and-mental-health-counselors-faq-09052023.pdf>¹

Guidance-At-A-Glance

Category / Service	Current through 11/30/2025 Primary Payer	Current Typical Codes (IA Medicaid)	Effective for claims received 12/1/2025 Primary Payer	Effective for claims received 12/1/2025 Medicare Billing Elements*
Marriage & Family Therapists (MFT)	Iowa Medicaid may act as primary for duals if provider is not Medicare enrolled; otherwise, Medicare primary when furnished by enrolled providers	General psychotherapy CPTs as allowed by IA Medicaid (e.g., 90832, 90834, 90837, 90853)	Medicare pays first for any service it covers for dually enrolled members. If a provider bills Iowa Medicaid as primary for those services,	Bill Part B using applicable psychotherapy CPTs; standard OPPS/professional rules apply.

¹ <https://www.cms.gov/files/document/marriage-and-family-therapists-and-mental-health-counselors-faq.pdf>

Mental Health & Substance Use Disorder Counselors	(per 1/1/2024 coverage).		the claim will be denied unless the Medicare EOB ** is attached.	
Intensive Outpatient Program (IOP) Facility-based (Hosp OPD, CAH, CMHC, CCBHC)		Revenue Code 0906 with H0015 (with or without TG modifier)		Condition code 92; TOB: 13X (OPD), 85X (CAH), 76X (CMHC, CCBHC). Status Indicator P (per diem composite APC). G0539 & G0540 (caregiver training) recognized for PHP/IOP effective 1/1/2025. RHC & FQHC (Rev Code 905)

Provider Type	Medicare Enrollment	Medicaid (IA) Billing Role	Typical CMS/NUCC Taxonomy Code(s)	Notes
Licensed Clinical Social Worker (LCSW)	✔ Yes	Secondary	1041C0700X (Clinical Social Worker)	Can bill Medicare Part B directly; recognized under the CSW benefit.
Licensed Independent Social Worker (LISW)	⚠ Possibly	Primary if not recognized by CMS	1041C0700X (same as LCSW)	Iowa's LISW = functionally equivalent to LCSW; can enroll as LCSW if meets CMS definition.
Licensed Master Social Worker (LMSW)	✗ No	✔ Medicaid	1041S0200X (Social Worker)	Not eligible to bill Medicare directly; can work under supervision.

Licensed Marriage & Family Therapist (LMFT)	✔ Yes (since 1/1/2024)	Secondary	106H00000X (Marriage & Family Therapist)	Can now enroll independently in Medicare.
Licensed Mental Health Counselor (LMHC)	✔ Yes (since 1/1/2024)	Secondary	101Y00000X (Counselor), 101YM0800X (Mental Health Counselor)	Medicare-recognized under new MHC benefit; independent billing allowed.
Licensed Mental Health Professional (LMHP)	✗ No (umbrella title)	✔ Medicaid	Varies; umbrella for MFT, LMHC, LISW, etc.	Not a recognized Medicare provider type
Psychologist (PhD/PsyD – Clinical)	✔ Yes	Secondary	103T00000X (Psychologist), 103TC0700X (Clinical)	Fully recognized under the Clinical Psychologist benefit.
Psychiatrist (MD/DO)	✔ Yes	Secondary	2084P0800X (Psychiatry), 2084P0802X (Addiction Psychiatry)	Fully recognized as physicians under Medicare.
Psychiatric Nurse Practitioner (PMHNP)	✔ Yes	Secondary	363LP0808X (Psychiatric/Mental Health NP)	Can bill Medicare independently under NP benefit.
Clinical Nurse Specialist (CNS – Psych/MH)	✔ Yes	Secondary	364SP0808X	Medicare-recognized NPP; can bill for psych services.
Physician Assistant (PA)	✔ Yes	Secondary	363A00000X	Can provide and bill under supervising physician; mental health included.
Certified Nurse-Midwife (CNM)	✔ Yes	Secondary	367A00000X	Recognized by Medicare, may perform certain

				behavioral health services.
Certified Alcohol & Drug Counselor (CADC, IADC)	✔ Yes (as MHC if licensed)	✔ Medicaid	101YA0400X (Addiction Counselor)	If licensed per CMS's Mental Health Counselor definition, may enroll under MHC benefit.
Psychiatric Technician / Behavior Technician (BT, RBT)	✗ No	✔ Medicaid	106E00000X	Ancillary staff; services billed under supervising clinician.
Applied Behavior Analyst (BCBA)	✗ No	✔ Medicaid	103K00000X	Not covered under Medicare; Medicaid covers ABA for children.

Please refer to formal Medicare billing guidance for official and up to date guidance on billing requirements.

An explanation of benefits (EOB) from the primary carrier is not a guarantee of payment by MCOs. Providers must comply with the primary payer's policies and requirements, including (but not limited to) timely filing, prior authorization, and billing rules. If the primary payer (e.g., Medicare) denies or reduces payment due to provider noncompliance with its policies, Iowa Medicaid, as payer of last resort, may issue a corresponding denial or limit payment accordingly.

For further information regarding this change, please review the CMCS Informational Bulletin available at: <https://www.medicaid.gov/sites/default/files/2023-12/cib12142023.pdf>²

Implementation of Fee For Service claims will occur at a later date and additional guidance will be provided.

² <https://www.medicaid.gov/sites/default/files/2023-12/cib12142023.pdf>

If you have questions, please contact Iowa Medicaid Provider Services or the appropriate MCO:

Iowa Medicaid Provider Services:

- Phone: 1-800-338-7909
- Email: IMEProvider@hhs.iowa.gov

Managed Care Organizations (MCOs):

Iowa Total Care:

- Phone: 1-833-404-1061
- Email: providerrelations@iowatotalcare.com
- Website: <https://www.iowatotalcare.com>

Molina Healthcare of Iowa:

- Phone: 1-844-236-1464
- Email: iaproviderrelations@molinahealthcare.com
- Website: <https://www.molinahealthcare.com/providers/ia/medicaid/home.aspx>
- Provider Portal: <https://www.availity.com/molinahealthcare>

Wellpoint Iowa, Inc.:

- Phone: 1-833-731-2143
- Email: ProviderSolutionsIA@wellpoint.com
- Website: <https://www.provider.wellpoint.com/iowa-provider/home>