

Services Rendered Under Supervision in Virginia

Updated claim requirements for Medicare and Medicaid members

Overview

The Virginia Department of Medical Assistance Services has updated its billing and claim submission requirements when outpatient services are delivered under supervision by a Licensed Mental Health Professional (LMHP) to clients covered by a Dual Special Needs Plan (DSNP). DSNP members are eligible for and enrolled in both Medicare and Medicaid.

Services delivered under supervision supports the development of counseling skills and knowledge for clinicians who are completing the hours required for initial or full licensure. Their work is overseen by an independently licensed behavioral health clinician.

Updated claim requirements and submission

Effective for services provided on or after Jan. 1, 2025:

- The DQ qualifier is required to be added to the claim in conjunction with the U5 modifier. This combination designates that the behavioral health outpatient services have been performed under supervision.
- The U5 modifier is required for each service rendered under supervision. It can be noted in any modifier position.
- To avoid claims denials, claims must include the supervising clinician's name, credentials and National Provider Identifier (NPI) number.

Reminder: All services on the claim that were supervised must have been supervised by the same person. If another clinician rendered supervisory services, a separate claim should be submitted.

Claim submission process

Currently, when a provider bills a DSNP for the Medicare portion of the service, the DSNP will pay its portion and then instruct the provider to bill the Medicaid plan for the balance. Beginning Jan. 1, 2025, the DSNP will pay both the Medicare and Medicaid portions of the claim at once. Providers no longer need to bill Medicaid separately for the balance. This streamlines the DSNP billing process, saves time and helps providers get full reimbursement sooner.

For date(s) of service beginning Jan 1, 2025, Optum is monitoring claim submissions and will make any adjustments needed to add the necessary qualifier and modifier. However, May 1, 2025, claims submitted without these items will be denied.

For more information, review the DMAS [announcement](#) and the page 10 of the DMAS [provider manual](#). and review the following guidance and information you need to know about this updated provision.

Provider eligibility requirements

- **Clinical supervision** allows independently licensed behavioral health clinicians to oversee the work of another clinician who is gaining experience working with clients. Supervision supports the development of counseling skills and knowledge for clinicians who are:
 - Completing the hours required for initial or full licensure, or
 - Pursuing a higher level of licensure
- **Supervising Clinicians** oversee the clinician who is gaining experience. A supervising clinician must meet all of the following requirements:
 - Be independently licensed as a psychiatrist, psychologist, social worker, family therapist or other therapist duly qualified in the state in which the services for mental health/substance abuse disorder are provided
 - Practice independently as an employee of an individual or group practice
 - Is credentialed or formally rostered and approved by United Behavioral Health (UBH), in writing, as a mental health or substance use disorder clinician
 - The supervising clinician (or group/agency, as applicable) is the billing provider
- **Supervisees** are clinicians who are gaining experience and being supervised as they render services
 - Non-licensed rendering providers or other practitioners not eligible to practice independently.
 - Non-licensed clinicians who provide behavioral health services must have a minimum of a master's degree
 - All services rendered must be within the scope of the clinician's training and their state's license and practice rules
 - Supervision must:
 - Occur regularly on a one-to-one basis
 - Be documented as required by state regulations
- Optum periodically audits provider records to ensure compliance with Optum policies and procedures. This may include treatment documentation for services delivered under supervision.

Virginia DSNP Alignment

The changes in billing for supervised services stem two recent regulatory decisions effective Jan. 1, 2025:

- A recent [CMS rule change](#) requires DSNP plans to operate with exclusively aligned enrollment.
- From the Commonwealth of Virginia, [Item 288 \(Q\) of the 2024 Appropriations Act](#) outlines that full benefit [DSNP members](#) will be assigned to the same health plan for their Medicaid managed care as the member selected for their Medicare DSNP coverage. This alignment of Medicare and Medicaid health plan enrollment is generally referred to as “exclusively aligned enrollment.”

Surveys conducted across the nation and within Virginia found members are significantly happier with aligned enrollment – they find it easier to access services and to navigate their multiple benefit packages.

Coverage and reimbursement considerations

- **Check eligibility and benefits before rendering services**
 - Providers should verify what behavioral services are covered under the member's health plan
 - Providers should also check the member's enrollment status before every appointment

- **Member coverage and reimbursement considerations**

- Submission of a claim does not guarantee reimbursement. The services a member receives are subject to the terms and conditions of the member's health plan, as well as state license/scope and practice rules.
- Network participation agreements (contracts) outline that if the services rendered are not covered under the health plan, those services are not eligible for reimbursement by Optum Behavioral Health.
- Network providers cannot balance bill a member for the services rendered, as outlined in their participation agreement with Optum.

Questions?

Please contact the Network Management contract representative [for Virginia](#) or call the Provider Services Line at **1-877-614-0484**.