



OFFICE OF MENTAL HEALTH
AND SUBSTANCE ABUSE
SERVICES BULLETIN

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NUMBER:

OMHSAS-25-05

SUBJECT:

Behavioral Health Clinic Services Provided Outside
of the Clinic

BY:

Jennifer S. Smith Deputy Secretary
Office of Mental Health and Substance Abuse Services

SCOPE:

This bulletin applies to all behavioral health clinics enrolled in the Medical Assistance (MA) Program who deliver services through the fee-for-service and managed care systems and seek to claim Medicaid payment. This guidance is separate from any telehealth only licensure and guidance that may be in place. Behavioral health clinics include psychiatric outpatient clinics, outpatient drug and alcohol clinics, and methadone maintenance clinics.

PURPOSE:

The purpose of this bulletin is to announce that the Centers for Medicare and Medicaid Services (CMS) has approved the Department of Human Services, (DHS) Office of Mental Health and Substance Abuse Services' (OMHSAS) amendment to the Medicaid State Plan to allow behavioral health clinics to provide clinically appropriate services outside of the clinic and that 55 Pa Code §§ 1153.14 (relating to payment conditions for various services) and 1223.14 (relating to payment conditions for various services) have been abrogated by Act 46 of 2025.

BACKGROUND:

Historically, federal regulation 42 CFR § 440.90 limited MA payment for clinic services to those services provided within the four walls of a clinic, with the exception of clinic services delivered to individuals who did not reside in a permanent dwelling or did not have a fixed home or mailing address. This limitation has been referred to as the "four walls" rule.

This rule limited not only the availability of in-person services outside the clinic but also created significant barriers to the delivery of clinic services through telehealth, making it

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Office of Mental Health and Substance Abuse Services, Bureau of Policy, Planning and Program Development, P.O. Box 2675, Harrisburg, PA 17105. General Office Number 717-772-7900

difficult for individuals living in remote or underserved areas to receive timely behavioral health services.

DISCUSSION:

Effective January 1, 2025, CMS amended 42 CFR § 440.90 by creating additional exceptions to the four walls rule. One of these exceptions allows, at the state option, for services to be furnished outside of a behavioral health clinic, including clinics that treat mental health and clinics that treat substance use disorders. Accordingly, DHS submitted a Medicaid State Plan amendment to CMS to allow for the delivery of these services, which was approved by CMS effective January 1, 2025.

In addition, Act 46 of 2025 abrogated provisions in 55 Pa Code Chapter 1223 (Outpatient Drug and Alcohol Clinic Services) and 55 Pa. Code Chapter 1153 (Outpatient Psychiatric Services), which restricted MA payment for clinic services delivered outside of the clinic setting. The abrogations align these regulations with the flexibility afforded by the revisions to 42 CFR § 440.90.

The following section of 55 Pa. Code Chapter 1223 has been abrogated and is no longer in effect:

1223.14(11) – Noncovered Services:

Payment will not be made for the following types of services, regardless of where or to whom they are provided:

(11): Services delivered at locations other than approved drug/alcohol outpatient clinics with the exception of home visits under the conditions specified in § 1223.52(d) (relating to payment conditions for various services).

The following section of 55 Pa. Code 1153 has been abrogated and is no longer in effect:

1153.14(6) – Noncovered Services:

Payment will not be made for the following types of services, regardless of where or to whom they are provided:

(6): Services delivered at locations other than licensed psychiatric outpatient clinics with the exception of MMHT under the conditions specified in § 1153.52(d) (relating to payment conditions for various services) or partial hospitalization outpatient facilities.

These changes allow MA enrolled providers to receive MA payment for behavioral health clinic services delivered outside of the four walls of the clinic using mobile or

telehealth modalities. However, this change does not exempt providers from the requirement to make clinic services available within the four walls of the clinic when determined to be clinically appropriate or when requested by the beneficiary.

The changes discussed in this bulletin do not apply to the existing Mobile Mental Health Telehealth (MMHT) State Plan service. OMHSAS will monitor the utilization of MMHT to determine if MMHT continues to be needed as a separate service.

PROCEDURE:

The following behavioral health clinic provider type/specialties (PT/PS) are authorized to provide services using mobile or telehealth modalities outside of the four walls of a clinic:

- Psychiatric Outpatient Clinics – PT/PS: 08/110
- Outpatient Drug and Alcohol Clinics – PT/PS: 08/184
- Methadone Maintenance Clinics – PT/PS: 08/084

Many of the procedure codes for services under the identified PT/PS, that can be utilized via mobile or telehealth modalities, may also be provided as street medicine when appropriate. Please access the online version of the MA Program Fee Schedule to see the procedure codes and other information related to services, which is located on DHS's website at the following link:

<https://www.dhs.pa.gov/providers/Providers/Pages/Health%20Care%20for%20Providers/MA-Fee-Schedule.aspx>.

Providers must have appropriate policies and procedures in place to ensure that services are delivered through mobile or telehealth modalities only when clinically appropriate and when the beneficiary receiving service consents.

Providers who render services in the HealthChoices Behavioral Health Program should submit claims for services in accordance with the procedures established by each Behavioral Health Managed Care Organization (BH-MCO).