

Clinical Policy: Substance Use Disorder Short-term Residential Treatment Program in Lieu of Services

Reference Number: FL.CP.BH.18

Date of Last Revision: 07/26

[Coding Implications](#)

[Revision Log](#)

See [Important Reminder](#) at the end of this policy for important regulatory and legal information.

Description

This policy describes the clinical criteria on which to review requests for Substance Use Disorder Short-term Residential Treatment (SRT) in lieu of inpatient detoxification hospital care for Sunshine Health's Managed Medical Management (MMA), Comprehensive Long-Term Care (LTC), HIV/AIDS, and Serious Mental Illness (SMI), members. The goal is to provide Substance Use Disorder Short-term Residential Treatment services to members ≥ 21 years of age with a substance use disorder, when medically necessary, as an alternative to an existing state benefit.

Note-Member will be eligible to access these sub-acute care services for short and intensive substance use disorder residential and rehabilitative services 24 hours a day, seven days per week. These services must meet the needs of individuals who are experiencing an acute or immediately sub-acute crisis and who, in the absence of a suitable alternative, would require inpatient detoxification hospitalization.

Policy/Criteria

- I. It is the policy of Sunshine Health that Substance Use Disorder Short-term Residential Treatment services are considered **medically necessary** in lieu of inpatient detoxification hospital care when all of the following criteria are met:
 - A. Member is ≥ 21 years of age;
 - B. Meets criteria for ASAM Criteria Level 3.5 Clinically Managed High Intensity RTC (Adult) or InterQual for Substance Use Disorders; Residential Treatment Center.
 - C. The treating provider must submit the following information and documentation with any request for Substance Use Disorder Short-term Residential Treatment:
 1. Medical information and documentation to support I.A and I.B. above;
 2. Documentation that the member has consented to the In Lieu of Service as an alternative to a covered state benefit.

Redetermination

Prior to the expiration of the initial authorization period, the requesting practitioner must submit information on the member's status to Sunshine Health's utilization management department for a review to determine if subsequent approval is medically necessary using ASAM Criteria or InterQual for Substance Use Disorders; Residential Treatment Center Criteria.

Note: Sunshine Health utilizes the American Society of Addiction Medicine (ASAM) Adult 3.5 Clinically Managed High Intensity RTC or InterQual for Substance Use Disorders; Residential Treatment Center criteria for admission and continued stay.

- II.** It is the policy of Sunshine Health that Substance Use Disorder Short-term Residential Treatment services are considered not medically necessary when one or more of the following criteria are met:
- A. Member has achieved their goals, and problems that justified admission are resolved;
 - B. Member has been unable to resolve problems, despite adjustments to treatment plan, so alternate level of care is needed;
 - C. Member has demonstrated lack of capacity to resolve problems so alternative level of care is needed;
 - D. Member has experienced an intensification of problems or has developed a new problem(s) so a more intensive level of care is needed;
 - E. Member requests discharge.
- III.** It is the policy of Sunshine Health that for Substance Use Disorder Short-term Residential Treatment services, the following **limitations/exclusions** apply:
- A. Member is under the age of 21 or over the age of 64;
 - B. Member does not have a substance use disorder diagnosis;
 - C. Member has signs or symptoms of withdrawal or withdrawal needs;
 - D. Coverage that exceeds the benefit limit; member receiving these services for more than 15 days per month will be subject to the institution for mental diseases (IMD) exclusion.

Background

Substance Use Disorder (SUD) Short-term Residential Treatment (SRT) is intended for adults with a primary diagnosis of substance dependence requiring a more restrictive treatment environment, such as inpatient detoxification hospital care, to prevent the abuse of substances. This service is highly structured and is located within a licensed substance abuse residential treatment center. In lieu of services (ILOS) is an option to expand care settings for managed care plan members to help address social determinants of health and control costs.⁵ The philosophy of SRT views substance-related problems as disorders of the whole individual that are reflected in problems with conduct, attitudes, moods, values, and emotional management. Level 3.5 programs are designed to treat individuals who have significant social and psychological problems who require 24-hour oversight due to their risk of imminent harm. The goals of treatment are to promote abstinence from substance use and antisocial behavior and to affect a global change in the participants lifestyle, attitudes, and values.³

Coding Implications

This clinical policy references Current Procedural Terminology (CPT®). CPT® is a registered trademark of the American Medical Association. All CPT codes and descriptions are copyrighted 2025, American Medical Association. All rights reserved. CPT codes and CPT descriptions are from the current manuals and those included herein are not intended to be all-inclusive and are included for informational purposes only. Codes referenced in this clinical policy are for informational purposes only. Inclusion or exclusion of any codes does not guarantee coverage. Providers should reference the most up-to-date sources of professional coding guidance prior to the submission of claims for reimbursement of covered services.

CLINICAL POLICY
Substance Use Disorder SRT Program ILOS



HCPCS Codes	Description
H0018	Behavioral health; short-term residential (nonhospital residential treatment program), without room and board, per diem

Revenue Codes	Description
1001	Residential treatment-psychiatric
1002	Residential treatment-chemical dependency

Reviews, Revisions, and Approvals	Revision Date	Approval Date
Original approval date		07/18
Policy update; Added information on the member and provider communication of in lieu of benefits and how clinical decision making standards are applied to ensure all services to correct or ameliorate a defect, condition, or physical or mental illness are authorized.		11/18
System correction in Archer; no content review or revision		05/19
Annual review; no changes		06/20
Annual review; Deleted member and provider communication plan; updated language to include member agreement to ILOS. Added pregnancy requirement as part of redetermination criteria. Additional minor grammatical changes.		07/21
Annual review; removed "Axis I from "with a primary Axis I diagnosis" to read "with a primary diagnosis".		08/22
Annual review; Expanded to include all products; no criteria changes.		08/23
Transitioned policy to new state specific template, references updated and sent to market for approval; policy number changed from FL.UM.57.00 to FL.CP.BH.18. References reviewed and updated.	01/24	
Annual review. "Abuse" changed to "Use Disorder" throughout policy. Grammatical changes with no impact to criteria. Pregnancy removed as a requirement for treatment. Addition of InterQual criteria to Section I.B., Redetermination section, and Note section. Exclusion added in Section III. "or over the age of 64". Background updated. HCPCS Code H0028 and Revenue Codes 1001, 1002 added. References reviewed and updated.	08/24	
Annual review. HIV/AIDS added to Description. Rewording of Redetermination and Background updated with no impact to criteria meaning, References reviewed and updated.	07/25	
Annual review. Adjusted policy header and removed footer to align with corporate policy format. Added "in lieu of inpatient detoxification hospital care" to description section and Criteria I. for clarity with no impact on criteria meaning. Background updated. References reviewed and updated.	07/26	

References

1. Florida Agency for Health Care Administration (AHCA). Statewide Medicaid Managed Care In Lieu of Services (ILOS). Florida Agency for Health Care Administration (AHCA). Statewide Medicaid Managed Care In Lieu of Services (ILOS). Effective October 1, 2025. Accessed June 1, 2026.
2. Florida Agency for Health Care Administration (AHCA). Statewide Medicaid Managed Care (SMMC) In Lieu of Services (ILOS). A chart of ILOS. https://ahca.myflorida.com/content/download/27219/file/SMMC_Highlight_ILOS_Chart_08062025.pdf. Published July 16, 2025. Accessed June 1, 2026.
3. American Society of Addiction Medicine (ASAM). Adult Criteria Level 3.5: Clinically Managed High Intensity RTC.
4. InterQual® 2026, March release, BH: Substance Use Disorders; Residential Treatment Center.
5. Centers for Medicare and Medicaid Services. Department of Health and Human Services (DHHS). Additional guidance on use of in lieu of services and settings in Medicaid managed care. SMD #: 23-001. <https://www.medicaid.gov/federal-policy-guidance/downloads/smd23001.pdf>. Published January 4, 2023. Accessed June 1, 2026.
6. Florida Agency for Health Care Administration (AHCA). Statewide Inpatient Psychiatric Program Coverage Policy. Psychiatric residential treatment facility https://ahca.myflorida.com/content/download/27074/file/59G-4.120%20SIPP_Coverage_Policy_Adoption1%20%281%29.pdf. Effective December 2015. Accessed June 1, 2026.

Important Reminder

This clinical policy has been developed by appropriately experienced and licensed health care professionals based on a review and consideration of currently available generally accepted standards of medical practice; peer-reviewed medical literature; government agency/program approval status; evidence-based guidelines and positions of leading national health professional organizations; views of physicians practicing in relevant clinical areas affected by this clinical policy; and other available clinical information. The Health Plan makes no representations and accepts no liability with respect to the content of any external information used or relied upon in developing this clinical policy. This clinical policy is consistent with standards of medical practice current at the time that this clinical policy was approved. “Health Plan” means a health plan that has adopted this clinical policy and that is operated or administered, in whole or in part, by Centene Management Company, LLC, or any of such health plan’s affiliates, as applicable.

The purpose of this clinical policy is to provide a guide to medical necessity, which is a component of the guidelines used to assist in making coverage decisions and administering benefits. It does not constitute a contract or guarantee regarding payment or results. Coverage decisions and the administration of benefits are subject to all terms, conditions, exclusions, and limitations of the coverage documents (e.g., evidence of coverage, certificate of coverage, policy, contract of insurance, etc.), as well as to state and federal requirements and applicable Health Plan-level administrative policies and procedures.

CLINICAL POLICY

Substance Use Disorder SRT Program ILOS

This clinical policy is effective as of the date determined by the Health Plan. The date of posting may not be the effective date of this clinical policy. This clinical policy may be subject to applicable legal and regulatory requirements relating to provider notification. If there is a discrepancy between the effective date of this clinical policy and any applicable legal or regulatory requirement, the requirements of law and regulation shall govern. The Health Plan retains the right to change, amend or withdraw this clinical policy, and additional clinical policies may be developed and adopted as needed, at any time.

This clinical policy does not constitute medical advice, medical treatment, or medical care. It is not intended to dictate to providers how to practice medicine. Providers are expected to exercise professional medical judgment in providing the most appropriate care and are solely responsible for the medical advice and treatment of members/enrollees. This clinical policy is not intended to recommend treatment for members/enrollees. Members/enrollees should consult with their treating physician in connection with diagnosis and treatment decisions.

Providers referred to in this clinical policy are independent contractors who exercise independent judgment and over whom the Health Plan has no control or right of control. Providers are not agents or employees of the Health Plan.

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Note: For Medicaid members/enrollees, when state Medicaid coverage provisions conflict with the coverage provisions in this clinical policy, state Medicaid coverage provisions take precedence. Please refer to the state Medicaid manual for any coverage provisions pertaining to this clinical policy.

Note: For Medicare members/enrollees, to ensure consistency with the Medicare National Coverage Determinations (NCD) and Local Coverage Determinations (LCD), all applicable NCDs, LCDs, and Medicare Coverage Articles should be reviewed prior to applying the criteria set forth in this clinical policy. Refer to the CMS website at <http://www.cms.gov> for additional information.

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