



## Aetna Better Health® of Kentucky

### Reimbursement Policy Statement Kentucky Medicaid

Original Issue Date		May 23, 2025	
Policy Number		Aetna-2228	
Policy Name		PSYCHOEDUCATION	
Policy Type			
Medical	Administrative	Pharmacy	Reimbursement

Aetna Better Health of Kentucky reimbursement policies are intended to provide a general reference for claims filing, coding and documentation guidelines. Coding methodology, regulatory requirements, industry-standard claims logic, benefits design and other factors not listed in this policy statement are considered in the development of coverage policies.

In addition to this Policy, reimbursement of rendered services is subject to member benefits, eligibility on the date of service, other plan policies and procedures, claim editing logic, provider contracts and all applicable authorization, notification and utilization management guidelines set forth by the Kentucky Department for Medicaid Services and the Centers for Medicare and Medicaid Services (CMS).

This policy does not ensure either an authorization or reimbursement of services. We reserve the right to review and update this policy periodically.

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#### A. Policy

Aetna Better Health of Kentucky implements comprehensive and robust policies to ensure alignment with the Kentucky Department of Medicaid (DMS), evidence-based practices and





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clinical guidelines. The effective date of implementation for this policy is contingent upon the Kentucky Department of Medicaid's endorsement.

Per the Medicaid Managed Care Contract, Aetna Better Health of Kentucky shall provide or arrange for the provision of covered services to enrollees in accordance with the state Medicaid plan, state laws and regulations, and policies and procedures. Aetna Better Health of Kentucky must provide covered services as required by Kentucky statutes or administrative regulations. Managed Care Organizations are not required to cover services that are not in accordance with the state Medicaid plan, state statute or state administrative regulation.

Kentucky's Medicaid State Plan and administrative regulations are accessible via the internet at <https://www.chfs.ky.gov/agencies/dms/Pages/stateplanamend.aspx>.

In the absence of Kentucky statute, Kentucky administrative regulations, or Kentucky State Plan Amendment (SPA) coverage requirements for Psychoeducation (H2027), Aetna Better Health of Kentucky has established the following coverage and reimbursement policy:

Aetna Better Health of Kentucky will cover a total of 100 units/25 hours of Psychoeducation (H2027) per member, per calendar year, whether provided in a group, to an individual, or in combination of individual and group services.

CPT/HCPCS	PROCEDURE CODE DISCRIPTION	UNITS/HOURS PER CALENDAR YEAR
H2027 & H2027 (HQ)	Psychoeducational service/Group Psychoeducational service; per 15 minutes	100 UNITS/25 HOURS PER CALENDAR YEAR

Payment for Psychoeducation (H2027) is contingent upon all standards required in your contract with Aetna Better Health of Kentucky being met, including compliance with all State Regulations and provision of services that are evidence-based practices.

### B. Overview

The Kentucky State Plan, including its amendments, outlines the services and settings that Kentucky Medicaid will cover. MCOs are responsible for providing the benefits specified in their contracts with the state, which are based on Kentucky's Medicaid Plan, statutes, and administrative regulations.

#### Service Definition

Psychoeducation is a direct, planned, and structured intervention that involves presenting or demonstrating information. Psychoeducation assists individuals and their families learn relapse prevention and recovery strategies, build social support, use medications effectively, cope with stress, and manage their symptoms. Psychoeducation provides individuals diagnosed with a mental health or substance use disorder and their families with pertinent information regarding the identified condition, treatment options to address the condition, and teaches problem-solving,





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communication, and coping skills to support recovery.

The goal of psychoeducation is to help prevent relapse or development of comorbid disorders and to achieve optimal health and long-term resilience. Psychoeducation should support the individual and family in understanding these factors:

- The individual's diagnosis and symptoms
- The causes of the condition and the impact on the individual's development
- Components of treatment and the benefits of various treatment options
- Skill development to cope with the diagnosis

Psychoeducation is appropriate for individuals with mental health or substance use conditions, their families, and support networks. Psychoeducation sessions may cover topics such as understanding the nature of mental health and substance use conditions, medication management, recognizing warning signs of relapse, stress reduction techniques, and building a support network.

There is no single accepted model for Psychoeducation. Psychoeducation is a brief intervention as brevity is important when providing information, not only for engagement, but also for retention. The number of sessions usually varies from 5 to 24, with the optimum number of sessions being determined by research and practice. The sessions usually last 40-60 minutes and are mostly held at weekly intervals.

Psychoeducation is support to, and an adjunct to, actual clinical care provided by a clinician. Delivery of psychoeducation must align with a person-centered, individualized treatment plan. The rationale and indication for psychoeducation services should be reflected in the treatment plan and documented in the clinical record. Psychoeducation is not reimbursable as a stand-alone service, meaning psychoeducation may not be the sole intervention that the recipient is receiving to treat the mental health or substance use condition.

Psychoeducation is a component of day treatment, therapeutic rehabilitation program, intensive outpatient program (IOP), partial hospitalization program (PHP), and residential services. It is included in the per diem rate for those services and is not separately billable.

Psychoeducation must be provided by an approved behavioral health practitioner or an approved behavioral health practitioner under supervision. Peer Support Specialists, Community Support Associates, and Registered Behavior Technicians (modifiers U7 and UC) cannot provide psychoeducation services.

### C. Definitions

Approved Behavioral Health Practitioner	Means an independently licensed practitioner who is: (a) A physician; (b) A psychiatrist;
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	<p>(c) An advanced practice registered nurse;</p> <p>(d) A physician assistant;</p> <p>(e) A licensed psychologist;</p> <p>(f) A licensed psychological practitioner;</p> <p>(g) A certified psychologist with autonomous functioning;</p> <p>(h) A licensed clinical social worker;</p> <p>(i) A licensed professional clinical counselor;</p> <p>(j) A licensed marriage and family therapist;</p> <p>(k) A licensed professional art therapist;</p> <p>(l) A licensed clinical alcohol and drug counselor; or</p> <p>(m) A licensed behavior analyst.</p>
Approved Behavioral Health Practitioner Under Supervision	<p>Means an individual under billing supervision of an approved behavioral health practitioner who is:</p> <p>(a) A licensed psychological associate working under the supervision of a board approved licensed psychologist;</p> <p>(b) A certified psychologist working under the supervision of a board-approved licensed psychologist;</p> <p>(c) A marriage and family therapy associate;</p> <p>(d) A certified social worker;</p> <p>(e) A licensed professional counselor associate;</p> <p>(f) A licensed professional art therapist associate;</p> <p>(g) A licensed clinical alcohol and drug counselor associate;</p> <p>(h) A certified alcohol and drug counselor; or</p> <p>(i) A licensed assistant behavior analyst; and</p> <p>Is employed by or under contract with the same billing provider as the billing supervisor.</p>
Diagnostic Assessment	<p>Means functional evaluation resulting in a complete written assessment that includes clinical considerations and severity of the client's general physical, developmental, family, social, psychiatric, and psychological history, and current condition. The Diagnostic Assessment will also note strengths, vulnerabilities, and needed mental health services.</p>
Maintenance Psychoeducation	<p>Ongoing psychoeducation after the initial course of treatment for the identified condition.</p>
Plan of Care	<p>A plan of care shall:</p> <ol style="list-style-type: none"><li>1. Describe the services to be provided to the client, including the frequency of services;</li><li>2. Contain measurable goals for the client to achieve, including the expected date of achievement for each goal;</li><li>3. Describe the client's functional abilities and limitations, or diagnosis listed in the current edition of the American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders;</li><li>4. Specify each staff member assigned to work with the client;</li></ol>





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|  | <ul style="list-style-type: none"><li>5. Identify methods of involving the client's family or significant others if indicated;</li><li>6. Specify criteria to be met for termination of treatment;</li><li>7. Include any referrals necessary for services not provided directly by that provider;</li><li>and</li><li>8. Include the date scheduled for review of the plan.</li></ul> |
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### D. Prior Authorization & Service Limitations

Prior authorization is not required for Psychoeducation (H2027). Aetna Better Health of Kentucky will cover a maximum of 100 units/25 hours per member, per calendar year.

### E. Reimbursement & Conditions of Coverage

To be eligible for Psychoeducation services, an individual must be enrolled and eligible for coverage with Aetna Better Health of Kentucky.

Aetna Better Health of Kentucky members may be eligible for Psychoeducation (H2027) services when the following criteria supporting medical necessity are met:

- Individual must have a mental health or substance use condition as determined by a diagnostic assessment performed by an approved behavioral health practitioner or approved behavioral health practitioner under supervision; AND
- Individual is receiving current care from an approved behavioral health practitioner or approved behavioral health practitioner under supervision; AND
- Individual is experiencing significant impairment in functioning (difficulties in daily life, work, or relationships) due to a lack of knowledge about their condition, treatment options, symptom management and coping strategies; AND
- Providing psychoeducation is likely to improve their understanding and adherence to treatment; AND
- Individual is actively engaged in the psychoeducation process demonstrating a willingness to learn and participate in their treatment.
- The clinical record must include ALL the following:
  - Diagnosis and rationale for psychoeducation; AND
  - An individualized person-centered plan of care that includes clearly defined and measurable goals specific to psychoeducation that are:
    - Tailored to the individual's unique needs; AND





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- Addresses specific areas of knowledge deficit related to their diagnosis, treatment options, symptom management, and coping strategies; AND
- Indicates treatment intensity (number of hours per week) and duration, including how treatment intensity will be adjusted according to individual's response to psychoeducation and ability to participate effectively.

Aetna Better Health of Kentucky members may NOT be eligible for psychoeducation for any indications other than those listed above including, but may not be limited to:

- As a stand-alone service outside of other concurrent behavioral health treatment; OR
- Provided to a group larger than (12) individuals (no larger than (10) individuals if psychoeducation is provided as part of an Intensive Outpatient Program/IOP service); OR
- When delivered by an individual who is not an approved behavioral health practitioner or approved behavioral health practitioner under supervision; OR
- Continuation of psychoeducation when measurable progress toward established goals is no longer occurring; OR
- Continuation of psychoeducation when the individual:
  - Has already been informed about their condition, AND
  - Does not experience significant functional impairment due to their symptoms, AND
  - Can manage their condition without additional educational support.

The above is considered not medically necessary. A review of the current medical literature does not demonstrate evidence indicating psychoeducation is standard medical treatment. There is an absence of current, widely used psychoeducation practice guidelines and there is a lack of acceptable clinical literature examining benefit and long-term clinical outcomes establishing the value of this service in clinical management for the above indications.

Aetna Better Health of Kentucky members may NOT be eligible for maintenance psychoeducation including, but may not be limited to the following:

- Activities intended to preserve the individual's present level of function and/or prevent regression of that level of function, OR
- Therapeutic goals of the treatment program are achieved, OR
- Individual is no longer under current care of a behavioral health practitioner or approved





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behavioral health practitioner under supervision.

According to literature reviews, the effectiveness of psychoeducation can vary depending on the specific disorder and intervention. Studies report inconsistent results regarding long-term maintenance of benefits. There is an absence of current literature indicating that psychoeducation is more effective at decreasing substance use and psychiatric symptoms than psychotherapy.

While research indicates that psychoeducation may effectively increase knowledge about substance use disorders, there is no evidence that this knowledge gain translates to significant reductions in substance use or improved treatment outcomes. Studies have identified limitations of psychoeducation in treating psychiatric conditions, including the difficulty of determining its effectiveness.

### F. Review/Revision History

Action	Date	Comments
Date Issued		
Effective Date		

### G. References

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