Eligibility & Enrollment Unit Mental Health Intensive Outpatient Initial Utilization Review

Division of Substance Abuse and Mental Health (DSAMH)

Policy Number: DSAMH059
Date Issued: 10/06/2025
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Prepared By: DSAMH EEU UR
Applicability:

1. DSAMH State Providers

Approved By: Joanna Champney, Division Director



Date Signed: September 23, 2026

I. PURPOSE

The purpose of this policy is to promote and maintain objective, consistent, impartial, and fair utilization management decisions. The policy shall describe the authorization review process for mental health intensive outpatient treatment for Delaware residents eighteen (18) years of age or older who are uninsured or underinsured. These procedures pertain to all mental health intensive outpatient treatment providers contracted to provide care for the State.

II. POLICY STATEMENT

DSAMH shall conduct a review of clinical and treatment authorization following the first day of treatment. This initial review is based solely on the clinical documentation provided by the mental health intensive outpatient treatment program. Once the supporting clinical documentation is received by DSAMH Utilization Review (UR), it is considered a formal authorization request.

III. DEFINITIONS

"Authorization" means the agreement from DSAMH that a patient meets medical necessity for mental health intensive outpatient treatment.

"Covered mental health conditions" means for this policy adults with serious mental illnesses. Includes persons age 18 and older who have a diagnosable behavioral, mental, or emotional condition—as defined by the Psychiatric Association's Diagnostic and Statistical Manual (DSM) of Mental Disorders.

"Day" means calendar day unless otherwise indicated.

“Delaware resident” means an individual who is not eligible for an out-of-state Medicaid plan and meets either of the following criteria:

1. An individual is domiciled in a permanent location or maintains a place of abode in which they stay that is a building, structure, or vehicle within the limits of the State, and spends more than 183 days in the State.
2. A person who possesses a valid Delaware-issued identification card such as driver’s license or non-driver identification card.

“EOB” means Explanation of Benefits.

“Intensive outpatient treatment or IOP” means a structured mental health treatment program that provides more support than traditional outpatient therapy. IOP offers a balance of intensive treatment and personal freedom, allowing individuals to maintain their personal routines while receiving care.

“OP” means outpatient treatment services.

“PROMISE Program” means Promoting Optimal Mental Health for Individuals Through Supports and Empowerment (PROMISE) Home and Community-Based Services (HCBS) waiver program under DSAMH. PROMISE assesses clients for level of care needs and monitors services to ensure the client receives appropriate care from contracted providers.

“Underinsured” means a third-party payor exists, but the service is not a covered benefit under their active plan, the benefit was denied by the third-party payor, or their insurance benefits have been exhausted. The PM37 form must be used to determine underinsured eligibility and sliding scale fees (only applies to IMD programs).

“Uninsured” means no third-party payer exists; the client is considered indigent.

“Utilization Review” or “UR” means the review of clinical information to determine medical necessity is met.

IV. SCOPE

This policy applies to all mental health IOP treatment providers contracted with the State to provide mental health IOP treatment for residents of Delaware who are uninsured, underinsured, or enrolled in the PROMISE program. The scope is limited to mental health conditions approved and defined by the DSAMH contract. This policy does not address substance use disorder treatment services that are covered under other agreements.

V. PROCEDURES/RESPONSIBILITIES

A. Exploration and Discovery of Insurance:

1. The treating provider is responsible for submitting evidence that a patient is not covered under a private insurance, an in-State Medicaid plan, an out of state Medicaid plan, has exhausted Medicare days, or has a policy that does not cover mental health IOP treatment. This evidence is required prior to DSAMH's review of clinical documentation for authorization of treatment.

B. Submission of clinical documentation:
   1. Clinical documentation must be submitted to the DSAMH UR email box DSAMH_EEU_ UR@delaware.gov with the words "Initial Mental Health IOP Review" in the subject line. Clinical documentation submitted to another email box or without subject identified will not be accepted.
      a. Clinical documentation, proof of Delaware residency, and insurance EOB for initial review must be received within three (3) days post-admission to the IOP program.
      b. Clinical documentation received with errors or incomplete records will not be reviewed. Notification of denial of authorization will be sent, and no exceptions will be made.

   2. Documentation to be submitted:
      a. Clinical documentation must include, but is not limited to:
         i. Psychiatrist initial evaluation,
         ii. Psychosocial assessment,
         iii. Collateral information (collateral from family/friends),
         iv. Discharge planning,
         v. Treatment plan,
         vi. Current medication list,
         vii. Group notes,
         viii. Evidence of at least nine (9) treatment hours provided per week or hours offered for client's attendance in accordance with client's admission date, and
         ix. Coordination of care with established OP provider upon admission.

      b. Other documentation also required include:
         i. Results of exploration and discovery of benefits,
         ii. Application for Medicaid, and
         iii. Government-issued identification.

C. Review of clinical documentation:
   1. DSAMH UR shall conduct a review of clinical documentation for medical necessity to provide determination of authorization for DSAMH funding.
   2. DSAMH UR shall respond with the authorization or denial of request within three (3) days of submission.
   3. DSAMH UR may authorize multiple days, but each day of treatment must meet medical necessity based on documentation submitted by the provider.

4. Failure to submit complete clinical records, insurance EOB, and proof of Delaware residency will result in denial of authorization.
5. Frequency of reviews will vary based on the clinical status of the client and documentation submitted by the provider.

D. For any denials of authorization, reference DSAMH003 Provider Appeals Policy for next steps.

E. A table of timeline can be found below. Concurrent reviews will be completed within 20 treatment days post-admission.

1. Provider shall:	**2. DSAMH UR shall:**	**3. DSAMH UR shall:**
• Submit documentation via the DSAMH UR email box DSAMH_EEU_ UR@delaware.gov with "Initial Mental Health IOP Review" in the subject line. • Must be received within three (3) days post-admission.	• Conduct a review of clinical documentation to provide determination of medical necessity for DSAMH funding. • Within three (3) days of submission.	• Respond with medical necessity authorization or denial and date of next review. • Within three (3) days of submission

VI. References

A. NQCA, HEIDIS, CMS

VII. POLICY LIFESPAN

This policy will be reviewed annually.

VIII. RESOURCES

A. N/A

IX. RELATED POLICIES

A. DSAMH003 Provider Appeals Policy
B. DSAMH060 Eligibility and Enrollment Unit Intensive Outpatient Program Discharge Utilization Review
C. DSAMH061 Eligibility and Enrollment Unit Intensive Outpatient Program Retroactive Utilization Review