

Payment Policy CPP_37

Supervised Practice of Mental Health and Substance Use Trainees



Origination: October 2018 as a Quality Improvement Policy
Last Review: October 09, 2025
Next Review: October 09, 2027
Effective Date: January 01, 2026

Description

Blue Cross and Blue Shield of Vermont (Blue Cross VT) supports the training of clinical mental health counseling for those working toward full state licensure as clinical mental health counselors. This policy outlines our expectations regarding the supervisor-trainee relationship.

Policy & Guidelines

Definitions

Capitalized terms not otherwise defined in this policy will have the definitions provided in the provider's contract.

Scope

This policy applies to services provided by individuals engaged in post-degree supervised practice toward licensure. Services provided by an individual providing services as part of his or her education or training program are not generally covered or eligible for reimbursement. If a Blue Cross VT-contracted provider is acting as a supervisor for a post-degree trainee, we expect that all Medically Necessary Covered Services provided to our Members under that provider's supervision will be billed to Blue Cross VT. If a Blue Cross VT-contracted provider fails to provide supervision as outlined in this policy, services provided under that provider's supervision will not be reimbursed and will not be charged to a Blue Cross VT Member.

Eligible

The following criteria must be followed in order to be eligible for benefits:

Supervisor Requirements

1. Must be enrolled, credentialed, and in good standing with Blue Cross VT
2. Educates trainee on Blue Cross VT billing requirements and claims process

3. Bills for all Medically Necessary Covered Services provided by the trainee; see billing guidelines below.
4. Qualifies as one of the following:
 - a. Licensed physician certified in psychiatry by the American Board of Medical Specialties:
 - b. Licensed psychiatric nurse practitioner
 - c. Licensed psychologist
 - d. Licensed clinical social worker
 - e. Licensed marriage and family therapist
 - f. Licensed clinical mental health counselor
 - g. A person certified or licensed in another jurisdiction in one of the professions described above or in a profession that is a substantial equivalent
 - h. A supervisor trained by a regional or national organization that is approved by the Vermont State board
5. Provides the trainee with regular, on-going supervision. We encourage a supervisor to keep regular and thorough documentation of all supervision provided.
6. Sustains an active part in the ongoing care of patients treated by the trainee

Trainee Requirements

1. The trainee is working toward licensure in an allied mental health field, and the trainee falls into one of the following categories:
 - a. Master's level –
 - i. has earned a master's degree and is completing his/her supervised practice hours toward licensure AND
 - ii. is working toward a type of license that is eligible for participation with Blue Cross VT AND
 - iii. is registered on the roster of psychotherapists who are non-licensed and noncertified (or the equivalent if in a jurisdiction outside of Vermont).
 - b. Advanced Practice Registered Nurse – is completing his/her supervised practice hours toward licensure as either a psychiatric mental health nurse practitioner or a psychiatric clinical nurse specialist
 - c. Apprentice Addiction Professionals (AAPs) and Alcohol and Drug Counselors (ADCs)
 - i. Is working for a Vermont designated agency AND
 - ii. Is working toward a type of license that is eligible for participation with Blue Cross VT
 - d. Psychologist –
 - i. is completing his/her supervised practice hours toward obtaining a psychologist license AND

- ii. if not already licensed as a clinical mental health counselor, marriage and family therapist, or social worker, is registered on the roster of psychotherapists who are non-licensed and noncertified (or the equivalent if in a jurisdiction outside of Vermont).
2. Persons engaged in supervised practice toward licensure must identify themselves to Members as trainees and must comply with applicable disclosure requirements.

Not Eligible

1. The processes outlined in this policy do not apply to scenarios where a provider is eligible to submit claims to Blue Cross VT for reimbursement.
2. The processes outlined in this policy do not apply to scenarios where a provider may not practice independently and is not completing post-degree supervised practice hours for licensure.
3. Trainee criteria defined above must be met and any claims with modifier other than -HO will be denied provider liability and member will be held financially harmless.

Reimbursable Services

Blue Cross VT will pay for services appropriately appended with modifier -HO refer to [Addendum A](#).

Provider Billing Guidelines and Documentation

All services provided by the trainee must be billed by the supervisor with the –HO modifier, except for the initial evaluation, which must be billed without the –HO modifier.

Benefit Determination Guidance

Payment for services is determined by the member's benefits. It is important to verify the member's benefits prior to providing the service to determine if benefits are available or if there is a specific exclusion in the member's benefit.

Eligible services are subject to applicable member cost sharing such as co-payments, co-insurance, and deductible.

Federal Employee Program (FEP): Members may have different benefits that apply. For further information, please contact FEP customer service or refer to the FEP Service Benefit Plan Brochure. It is important to verify the member's benefits **prior** to providing the service to determine if benefits are available or if there is a specific exclusion in the member's benefit.

Inter Plan Programs (IPP): In accordance with the Blue Cross and Blue Shield Association's

Inter-Plan Programs Policies and Provisions, this payment policy governs billing procedures for goods or services rendered by a Vermont-based provider (Blue Cross VT is the local Plan), including services rendered to out-of-state Blue members. Provider billing practices, payment policy and pricing are a local Plan responsibility that a member's Blue Plan must honor. A member's Blue Plan cannot dictate the type of claim form upon which services must be billed, codes and/or modifiers, place of service or provider type, unless it has its own direct contract with the provider (permitted only in limited situations). A member's Blue Plan cannot apply its local billing practices on claims rendered in another Plan's service area. A member's Blue Plan can only determine whether services rendered to their members are eligible for benefits. To understand if a service is eligible for payment, it is important to verify the member's benefits **prior** to providing services. In certain circumstances, the member may be financially responsible for services beyond the benefit provided for eligible services.

Claims are subject to payment edits that are updated at regular intervals and generally based on Current Procedural Terminology (CPT®), Health Care Procedural Coding System (HCPCS), Internal Classification of Diseases, CMS National Correct Coding Initiative Edits, Specialty Society guidelines, etc.

Eligible Providers

This policy applies to all providers/facilities contracted with the Plan's Network (participating/in-network) and any non-participating/out-of-network providers/facilities.

Audit Information

Blue Cross VT reserves the right to conduct audits on any provider and/or facility to ensure adherence with the guidelines stated in the payment policy. If an audit identifies instances of non-adherence with this payment policy, Blue Cross VT reserves the right to recover all non-adherence payments.

Legislative and Regulatory Guidelines

26 V.S.A. § 3265 (disciplines eligible to perform supervision)

Related Policies

CPP_45 Vermont Designated Agencies

Facility Credentialing Policy

Practitioner Credentialing Policy

Document Precedence

The Blue Cross VT Payment Policy Manual was developed to provide guidance for providers regarding Blue Cross VT payment practices and facilitates the systematic application of Blue Cross VT member contracts and employer benefit documents, provider contracts, Blue Cross VT corporate medical policies, and Plan's claim editing logic. Document precedence is as follows:

- 1) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and the member contracts or employer benefit documents, the member contract or employer benefit document language takes precedence.
- 2) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and provider contract language, the provider contract language takes precedence.
- 3) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and corporate medical policy, the corporate medical policy takes precedence.
- 4) To the extent that there may be any conflict between the Blue Cross VT Payment Policy Manual and the Plan's claim editing solutions, the Plan's claim editing solution takes precedence.

Policy Implementation/Update Information

This policy was originally implemented in October 2018

Date of Change	Effective Date	Overview of Change
N/A	8/1/24	This policy is moving from a Quality Improvement Policy to a Payment policy. Formatting changes and move to new template.
10/09/2025	01/01/2026	Added addendum 'A' to clarify payment for modifier -HO. Added reference policy section. Added clarification statement: Trainee criteria defined above must be met and any claims with modifier other than -HO will be denied provider liability and member will be held financially harmless.
01/22/2026	01/01/2026	Removed changes proposed 10/09/2026 for payment for modifier -HO for services that would have been paid the lesser of charges of 76% of the supervising providers allowed amount.

Approved by

Update Approved: 1/22/2026

Tom Weigel, MD

Tom Weigel, MD, Chief Medical Officer

Addendum A
Modifier Payment Table

Modifier	
-HO Modifier	[Masters Degree Level]
Blue Cross VT will pay when services are provided by the trainee, the credentialed supervisor must submit the claim appended with the -HO modifier.	