MDHHS
Michigan Department of Health & Human Services

BULLETIN

Michigan Medicaid Policy (MMP) | Health Services

Bulletin Number: MMP 26-35

Distribution: Hospitals, Practitioners, Medicaid Health Plans

Issued: September 1, 2026

Subject: Coverage and Reimbursement of Hospital-Based Peer Recovery Coach (PRC) Services

Effective: October 1, 2026

Programs Affected: Medicaid, Healthy Michigan Plan

NOTE: Implementation of this policy is contingent upon approval of a State Plan Amendment (SPA) by the Centers for Medicare & Medicaid Services (CMS).

This bulletin establishes Medicaid coverage and reimbursement of Peer Recovery Coach (PRC) services in accordance with Section 1794 of Public Act 121 of 2024. Medicaid will cover outpatient hospital Emergency Department (ED) PRC services provided by a Medicaid-enrolled PRC and related to an ED visit. The information in this bulletin is effective for dates of service on and after October 1, 2026.

General Information

A PRC is a non-clinical person who provides peer-delivered recovery support services to individuals consistent with evidence-based practices recognized by the Substance Abuse and Mental Health Services Administration (SAMHSA). PRC services are intended to support individuals during and following acute episodes, improve conditions and reduce barriers to treatment and recovery engagement, support connections to treatment resources, and navigate community-based recovery supports. The PRC operates as part of a care team or in coordination with a clinical provider, as appropriate.

Covered Services

Medicaid will reimburse hospitals for PRC services delivered to beneficiaries 18 years of age and older with a Substance Use Disorder (SUD) or co-occurring SUD and provided in connection with stabilization services occurring during an ED visit or as acute follow-up to an ED visit. These services will be covered under the beneficiary's Fee-for-Service (FFS) or Medicaid Health Plan (MHP) medical benefit.

PRC support services provided to beneficiaries in the outpatient hospital or ED settings may include, but are not limited to:

- Peer recovery support services, which include:
  - Providing person-centered engagement and encouraging self-advocacy
  - Providing non-clinical recovery support
  - Supporting self-identified goals, immediate needs, and preferred pathways of recovery
  - Assisting with short-term recovery and identifying barriers to follow-up care for discharge planning
  - Assisting the beneficiary in identifying existing strengths, relationships, supports, resources, and readiness for change that may assist recovery, reduce risk, or support stabilization

- Health system navigation and resource coordination services, which include:
  - Educating beneficiaries regarding available treatment and recovery pathways, including crisis, social, and community support options
  - Identifying and referring to internal and external recovery resources
  - Linking to community-based treatment or other health-related supports
  - Assisting with discharge planning from the hospital to recovery support and services
  - Facilitating communication and coordination with hospital staff, community partners, recovery supports, and other relevant service providers

PRC services are billed in 15-minute incremental units (one unit = 15 minutes) with a maximum of eight units (two hours) per day and up to a maximum of 40 units (10 hours) per month when provided in the hospital setting by a PRC operating within their defined role and scope as established by Medicaid policy and program requirements. The daily and monthly maximums apply per beneficiary per billing provider. Follow-up PRC services are typically completed within a few weeks of the beneficiary's discharge.

Outpatient Hospital and ED PRC services covered under this policy are intended to address peer recovery support provided during an ED visit or as a telemedicine outpatient hospital department follow-up to an ED visit. Telemedicine PRC services must be delivered in accordance with the Telemedicine chapter of the MDHHS Medicaid Provider Manual. Refer to the MDHHS telemedicine databases for services allowable via audio/visual and audio-only telemedicine. Hospital PRCs are expected to facilitate a warm handoff to community-based support services. If a beneficiary requires further SUD-related support services beyond those provided by a hospital-based PRC, services are available and covered through the beneficiary's specialty behavioral health Prepaid Inpatient Health Plan (PIHP) benefit and Community Mental Health Services Program (CMHSP) providers. (Refer to the Behavioral Health and Intellectual and Developmental Disability Supports and Services Chapter of the Michigan Department of Health and Human Services (MDHHS) Medicaid Provider Manual for coverage details.)

Noncovered Services

- Services provided outside of ED or outpatient hospital settings

- Services that duplicate roles and responsibilities covered and delivered by other Medicaid-enrolled providers to maintain fidelity to the PRC evidence-based practice
- Services provided by individuals who have not enrolled as a Medicaid provider with a current NPI number, including MDHHS-certified PRCs employed by CMHSPs and network providers
- PRC services delivered as part of an ER visit are no longer covered once an inpatient psychiatric hospital admission is deemed necessary, which becomes the responsibility of a PIHP
- Outpatient hospital PRC services covered by a PIHP for inpatient psychiatric hospital admission and delivered post discharge

Provider Requirements

Qualified PRCs must:

- Be a Certified PRC through the MDHHS Peer Services Area
  - Have a high school diploma or General Education Diploma (GED);
  - Have a documented history of addiction, with a substantial life disruption in which they navigated complex treatment services provided by a public or private provider (mutual aid groups are not included);
  - Have one continuous year in recovery at some point in time after the age of 18;
  - Self-identify as having an addiction and share their recovery story to inspire hope with the beneficiary;
- Be employed or contracted by a Michigan Medicaid-enrolled hospital;
- Complete 32 hours of approved continuing education bi-annually as determined by MDHHS Peer Services Area;
- Obtain an Individual (Type 1) National Provider Identifier (NPI) and enroll in the Community Health Automated Medicaid Processing System (CHAMPS); and
- Be supervised by a fully licensed physician, physician assistant, nurse practitioner, psychologist, limited licensed psychologist, professional counselor, Master Social Worker (MSW), or Marriage & Family Therapist.

Provider Enrollment

PRCs seeking reimbursement for hospital-performed services are required to be Medicaid-enrolled providers and meet Provider Fitness Criteria as described in the General Information for Providers chapter of the MDHHS Medicaid Provider Manual. To enroll as a Medicaid provider, the PRC must have an Individual (Type 1) NPI and complete an online application in CHAMPS. The PRC must associate their enrollment with a Medicaid-enrolled hospital Organization (Type 2) NPI as their Billing Provider. Refer to http://www.michigan.gov/medicaidproviders >> CHAMPS >> Register for MILogin Account for access to CHAMPS >> Accessing CHAMPS for complete enrollment instructions.

PRC providers are subject to all relevant policy provisions outlined in the MDHHS Medicaid Provider Manual, including the General Information for Providers chapter.

Billing and Reimbursement

PRC services must be billed to FFS or the MHP by the PRC's employing or contracted Medicaid-enrolled hospital on an institutional claim. PRC services should be reported under Current Procedural Terminology (CPT) code H0038 and a SUD diagnosis must be present on the claim. H0038 should be reported in 15-minute increments, with one unit of service equaling 15 minutes. The Individual (Type 1) NPI of the PRC must be listed in the Line Rendering field of the institutional claim. Acute follow-up PRC services furnished after the ED encounter are reported by the hospital on an outpatient hospital institutional claim. Refer to the Telemedicine chapter and Billing and Reimbursement for Institutional Providers chapter of the MDHHS Medicaid Provider Manual for the outpatient hospital claim completion requirements.

FFS reimbursement for PRC services is based upon the Outpatient Prospective Payment System (OPPS) methodology. CPT H0038 will be added to the OPPS Payment Rates List and the MDHHS telemedicine database. PRC services delivered during an ED or outpatient visit that transitions to an inpatient admission are not separately reimbursable outside of the inpatient hospital Diagnosis-Related Group (DRG).

PIHPs/CMHSPs

This policy does not apply to PRC services covered under the PIHP specialty behavioral health benefit delivered by a CMHSP or network provider. PRCs who are contracted with or employed by a PIHP/CMHSP may provide recovery services to Medicaid beneficiaries outside of the hospital setting upon initiation of the warm hand-off.

Manual Maintenance

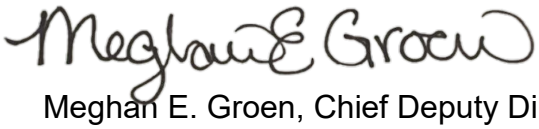
Retain this bulletin until the information is incorporated into the MDHHS Medicaid Provider Manual.

Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Health and Human Services, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mailed to ProviderSupport@michigan.gov. When you submit an e-mail, be sure to include your name, affiliation, NPI number, and phone number so you may be contacted if necessary. Typical Providers may phone toll-free 800-292-2550. Atypical Providers may phone toll-free 800-979-4662.

An electronic copy of this document is available at www.michigan.gov/medicaidproviders >> Policy, Letters & Forms.

Approved



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