ARIZONA
HEALTH CARE COST
CONTAINMENT SYSTEM

Traditional Healing Services Claim Submission Billing Guide IHS/638 Providers

DFSM Provider Training

updated 11/10/2025

Introduction

These training materials are designed for the Fee-for-Service programs, including the American Indian Health Program (AIHP), Tribal Regional Behavioral Health Authority (TRBHA), DDD Tribal Health Plan (DDD-THP), Tribal Arizona Long Term Care Services (ALTCS), and all FFS populations.

Topics

01	Traditional Healing Services Traditional Healing Practitioners and Guidelines
02	Traditional Healing Documentation Requirements CMS “Four Walls” Rule Care Coordination Agreement for UIOs
03	Claim Submission and Billing Guidance American Indian Health Plan (AIHP) Medicare and Third-Party Liability (TPL) Non-Emergency Medical Transportation (NEMT)
04	Billing on the UB-04 (AI/AN members) at the All-Inclusive Rate
05	Billing on the CMS 1500 (Non-AI/AN members) at the Fee-for-Service Rate

Traditional Healing Go Live Date October 1, 2025

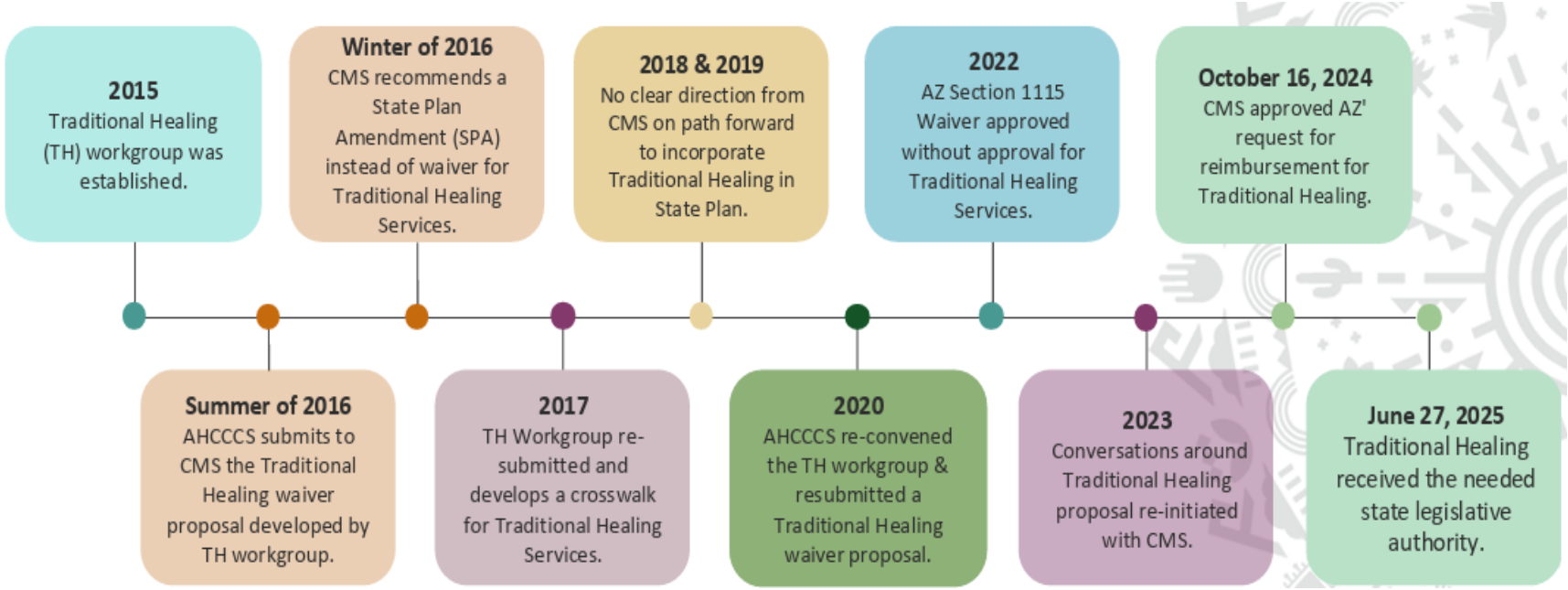
- In October 2024, the Centers for Medicare and Medicaid Services (CMS) approved Medicaid coverage of Traditional Health Care Practices in four states (California, Arizona, Oregon and New Mexico) with a standard framework through Section 1115 waivers.

- Traditional Healing is a system of culturally appropriate healing methods developed and practiced by generations of Tribal healers who apply methods for physical, mental and emotional healing.

- The practices provided by traditional healers shall be in accordance with an individual Tribal Nation's established and accepted traditional healing practices as identified by the Qualifying Entity.

- The purpose of the traditional healing program is to provide culturally appropriate options for AHCCCS members to maintain and sustain health and wellness through traditional healing practices.

10/1/2025 Traditional Healing Waiver History



Traditional Healing Services

- Each IHS/638 facility, in partnership with their local Tribal community, will individually define which services are most appropriate for Medicaid reimbursement.

- The covered traditional healing services, limitations, and exclusions shall be described by each facility (working with each tribe they primarily serve).

- Traditional Healing practices are covered services in both inpatient and outpatient settings, and aid in care coordination and assist AHCCCS beneficiaries in achieving improved health outcomes.

Traditional Healing Claim Service Limits

Can Traditional Healing services can be provided and billed on the same day as other Medicaid covered services?

- Yes, Medicaid will reimburse only one claim for Traditional Healing services per member per day.

Traditional Healing Claim Service Limits

Are traditional healing services applicable to the five (5) daily AIR encounter limit?

- Yes, traditional healing services are applicable to the five (5) daily encounter limit.

Example: The member is seen at an IHS/638 clinic on 10/1/25. The first visit is with their cardiologist (1ST AIR), a prescription is dispensed (2nd AIR), the member also had a follow up visit with a rheumatologist (3rd AIR), dental visit (4th AIR) and attended a traditional healing service recommended by their primary care physician (5th AIR).

- Each visit/encounter can be billed as long as the encounter is medically necessary and is a AHCCCS covered service and does not exceed the daily AIR limits.

Traditional Healing Services Performed During an Inpatient Hospital Stay

- Traditional healing can be performed during an inpatient hospital stay. However, there is no separate reimbursement for TH services, it will be covered under the inpatient all-inclusive rate (AIR).

- The current inpatient AIR is not inclusive of traditional healing services for calendar year 2025, however, this is currently under consideration by CMS.

- The IHS/638 All-Inclusive Inpatient and Outpatient rates are published annually and can be viewed in the Federal Register.Gov. The Federal Register is the daily publication for federal government agencies to issue rules, proposed rules, notices, and executive notices.

Traditional Healing Practitioners

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Traditional Healing Practitioners

Traditional healing practitioners will not register as independent providers with AHCCCS.

Traditional healing practitioners must be contracted with or employed by an IHS/638 facility.

Approved TH services will be submitted by the IHS/638 facility/clinic and the respective NPI number.

Documentation Requirements for Traditional Healing Services

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Traditional Healing
Documentation of Services

CMS may require updates regarding Medicaid covered services to include traditional healing services.

- It is important to maintain documentation in the member's file to provide to CMS and AHCCCS upon request.

Traditional Healing and the "Four Walls" Rule

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Traditional Healing Service and the "Four Walls" Exception

- 42 CFR § 440.90, Medicaid coverage for traditional healing services provided outside the “Four Walls" of the IHS/638 Tribal facility/clinic is covered.

- Traditional healing services provided outside the “four walls” may be submitted with place of service code '99’ which states “Other Unlisted Facility”.

Care Coordination Agreement and Urban Indian Organizations (UIOs)

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Care Coordination Agreement

- Urban Indian Organizations must have a signed Care Coordination Agreement (CCA) with an IHS/Tribal 638 facility and will have submitted the signed CCA to AHCCCS.
- The facility will have a valid referral process for IHS/Tribal 638 facilities in place for requesting services to be performed by the non-IHS/Tribal 638 facility.
- AHCCCS will monitor activity specified under the CCA(s) to ensure compliance.
- Questions contact mail to: tribalcarecoordination_fmap@azahcccs.gov

UIOs and Traditional Healing Services

Urban Indian Organizations (UIOs) may receive Medicaid reimbursement for traditional healing services when the service is provided under a Care Coordination Agreement (CCA) with an IHS/638 facility

If a CCA is in place, traditional healing services provided by a UIO will be reimbursed at the current fee-for-service rate, submitted on the CMS 1500 claim form. HCPCS code H0051 is billable for non-AI/AN members only.

Traditional healing services provided by the UIO will not be eligible for reimbursement at the All-Inclusive Rate.

Separate training presentation on how to report CCA details on the claim submission will be published on the provider training webpage.

Traditional Healing Services
Members with Medicare/Medicare Advantage Coverage

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Traditional Healing Services
Members with Medicare Primary Coverage

- Traditional Healing services **are not covered** by Medicare/Medicare Advantage plans.
- In this instance, AHCCCS will be the **primary payer** for TH services.

Direct Claim Submission:

- IHS/638 facilities will not NEED to bill TH claims to Medicare.
- All claims for TH services for Medicare recipients will be billed directly to AHCCCS.
- A Medicare EOB denial will not be required.

Traditional Healing Services Members with Third Party Liability (TPL)

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Traditional Healing Services
Members with Third-Party Liability

- If the member has a Third-Party Liability (TPL), a copy of the primary payer EOB is required for processing of the traditional healing claim.
- HCPCS code H0051 is applicable to third party reimbursement, unless the TPL is a self-insured tribal plan.

Traditional Healing (TH) and Non-Emergency Medical Transportation

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Traditional Healing (TH) Non-Emergency Medical Transportation

- Non-Emergency Medical Transportation (NEMT) is a covered, reimbursable service if the Traditional Healing (TH) service is provided at an IHS/638 Tribal facility.

- Prior authorization (PA) is required for NEMT trips more than 100 miles (one-way, round trip, or multiple trips in the same day) for both medical and behavioral health services for FFS members.

- The AHCCCS Daily Trip Report must be submitted with any NEMT claim.

Member Enrollment with MCO Plan

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AI/AN Member Enrollment with a MCO Program

Ex. #2 The member is American Indian/Alaska Native, but enrolled with a MCO plan “AZ Complete Health Care”, under the Contract Type ACC/CAP (ACC Capitation).

- In this scenario, the claim for TH services provided by the IHS/638 facility should be billed to AHCCCS on the form type UB-04 at the ATR

THE RECIPIENT'S ENROLLMENT IS: HEALTH PLAN	CTRT TYP	BEGIN DATE	END DATE	RATE CODE	CSA	
AZ COMPLETE HEALTH CARE	ACC/CAP	06/01/2025		5017	01	05/29/2025
AZ COMPLETE HEALTH CARE	ACC/CAP	10/01/2024	05/31/2025	1117	01	09/29/2024

Traditional Healing Services Billing on the UB-04/837I

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Claim Submission and Billing for AI/AN Eligible Medicaid Recipients

American Indians / Alaska Natives recipients

Services are billed on the (UB-04 / 837I)

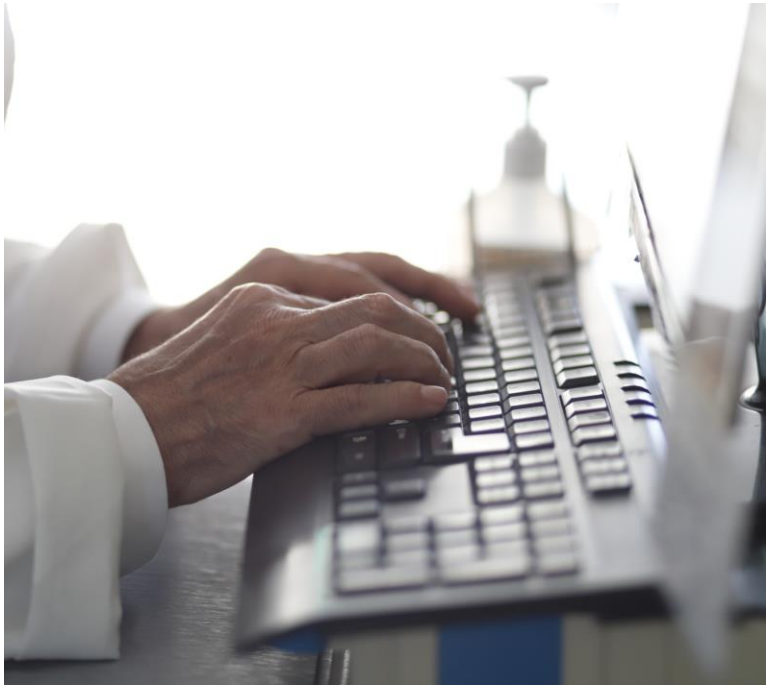
- Revenue code 0509 (designated for TH services submitted by IHS/638 facilities and clinics) for AI/AN members only.
- Reimbursement will be at the current outpatient All-Inclusive Rate (AIR)

Traditional Healing Services
Medicare and Third-Party Liability Claims

- **Medicare Primary**
  - Traditional Healing services are not covered by Medicare. In this instance, AHCCCS will be the primary payer. IHS/638 are not required to submit a TH claim to Medicare. The AHCCCS processing system will bypass the Medicare requirement when revenue code 0509 is billed.

- **Members with Third Party Liability**
  - If the member has a TPL, a copy of the primary payer EOB is required for processing of the traditional healing claim.
  - HCPCS code H0051 is applicable to third party reimbursement, unless the TPL is a self-insured tribal plan.

General Billing Guidance
Diagnosis Coding for Traditional Healing Services



- AHCCCS utilizes ICD-10-CM diagnosis code system.
- Each claim or encounter must include at least one valid ICD-10 diagnosis code and or for processing of the claim.

Billing Traditional Healing Services On the UB-04 for AI/AN Members Only

IHS/638 outpatient facility claims submitted on the UB-04 or 837I, the same billing guidelines apply. Fill out the standard fields as usual.

- The only change applicable to billing traditional healing services rendered by IHS/638 hospitals (PT 02), the revenue code 0509 must be billed for AI/AN members to receive reimbursement at the current AIR.

42 REV. CD.	43 DESCRIPTION	44 HCPCS / RATE / HIPPS CODE	45 SERV. DATE	46 SERV. UNITS	47 TOTAL CHARGES	48 NON-COVERED CHARGES
0509		**LEAVE BLANK**	10/01/2025	1	801 00	

- The “attending provider” National Provider Identification (NPI) number field is still required. IHS/638 billing TH services, in the ***attending provider field*** enter the NPI number of the provider that is coordinating the member’s care.

Billing Guidance for (Non-AI/AN Members) Receiving Traditional Healing Services at IHS/638 Facility

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Claim Submission Guidelines for TH Services Provided to NON-AI/AN Recipients at an IHS/638 Facility/Clinic

Non-American Indian / Alaska Native Recipient

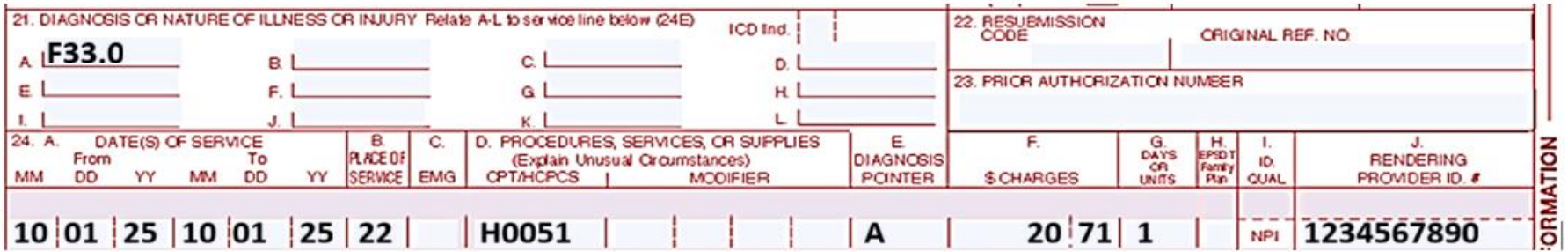
Services are billed on the (CMS 1500/837P) form

- HCPCS code – H0051 (Traditional Healing Services).
- Services are billed at the AHCCCS fee-for-service rate in effect on the date of service.
- Traditional healing claiming for members who are not AI/AN shall not be reimbursed at the All-Inclusive Rate.

Billing Traditional Healing Services on the CMS 1500/837P for Non- AI/AN Members Only

Billing for traditional healing services provided by IHS/638 providers to Non-AI/AN members require that the traditional healing service be billed using the HCPCS H0051, which will be reimbursed at the fee-for-service rate. The place of service code is determined by the location where the services are rendered.

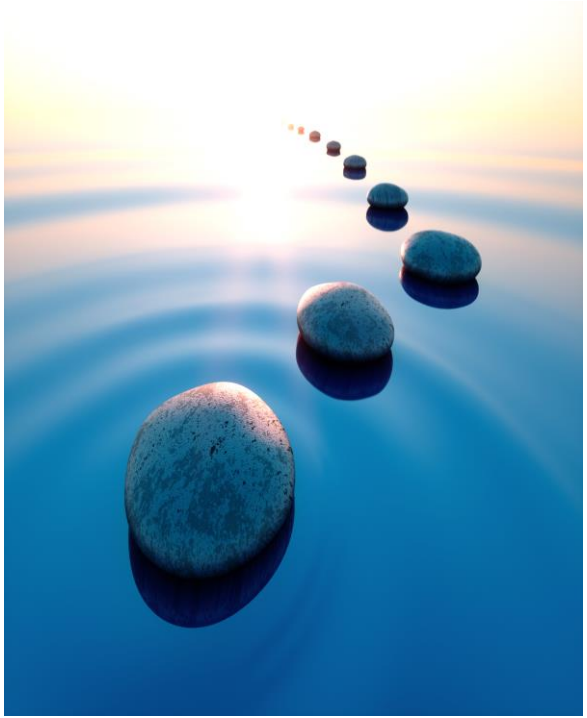
Traditional healing is billed on the CMS 1500/837P (EDI) and the same billing criteria will apply. Complete the standard fields on the CMS 1500 claim form.



21. DIAGNOSIS OR NATURE OF ILLNESS OR INJURY Relate A-L to service line below (24E) ICD Ind.				22. RESUBMISSION CODE	ORIGINAL REF. NO.					
A. F33.0	B.	C.	D.							
E.	F.	G.	H.	23. PRIOR AUTHORIZATION NUMBER						
I.	J.	K.	L.							

24. A. DATE(S) OF SERVICE From MM	DD	YY	To MM	DD	YY	B. PLACE OF SERVICE	C. EMG	D. PROCEDURES, SERVICES, OR SUPPLIES (Explain Unusual Circumstances) CPT/HCPCS	MODIFIER	E. DIAGNOSIS POINTER	F. $ CHARGES	G. DAYS OR UNITS	H. EPSDT Family Plan	I. ID. QUAL	J. RENDERING PROVIDER ID. #
10	01	25	10	01	25	22		H0051		A	20 71	1		NPI	1234567890

Summary



- Traditional healing practitioners are not individually registered with AHCCCS.
- IHS/638 facilities will maintain a list of TH practitioners and services provided.
- Claim submission is based on the member's enrollment on the date of the TH service.
- AI/AN members will be reimbursed at the All-Inclusive Rate; services are billed on the UB-04/837P form.
- Traditional healing services provided to Non-AI/AN members will be reimbursed at the fee-for-service rate. Services are billed on the CMS 1500/837P form with HCPCS code H0051.

Other Resources and Quick Links

- https://www.azahcccs.gov/Resources/Downloads/Federal/CMSApprovalLetterTraditionalHealthCarePractice.pdf
- https://www.azahcccs.gov/Resources/StatePlans/
- https://www.azahcccs.gov/PlansProviders/RatesAndBilling/ProviderManuals/IHStribalbillingManual.html
- https://www.azahcccs.gov/Resources/Training/DFSM_Training.html
- https://www.azahcccs.gov/Resources/Downloads/Federal/TraditionalHealingFAQs.pdf

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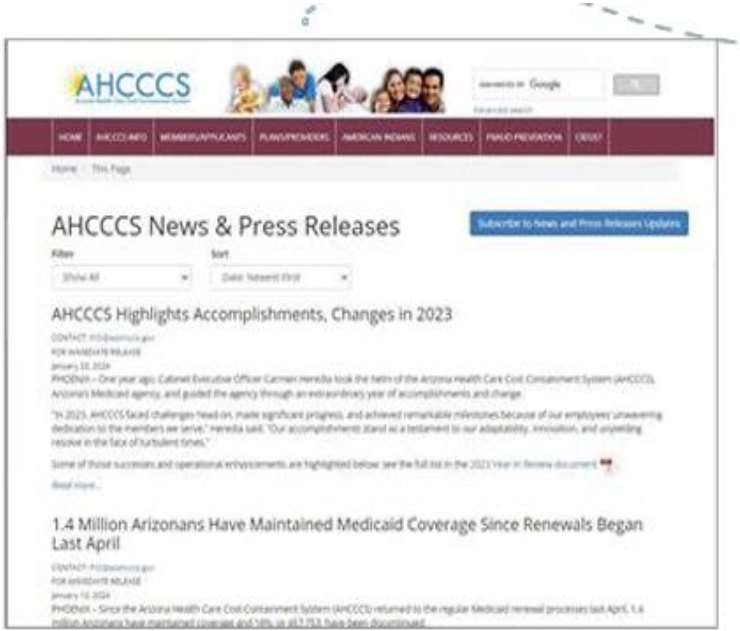

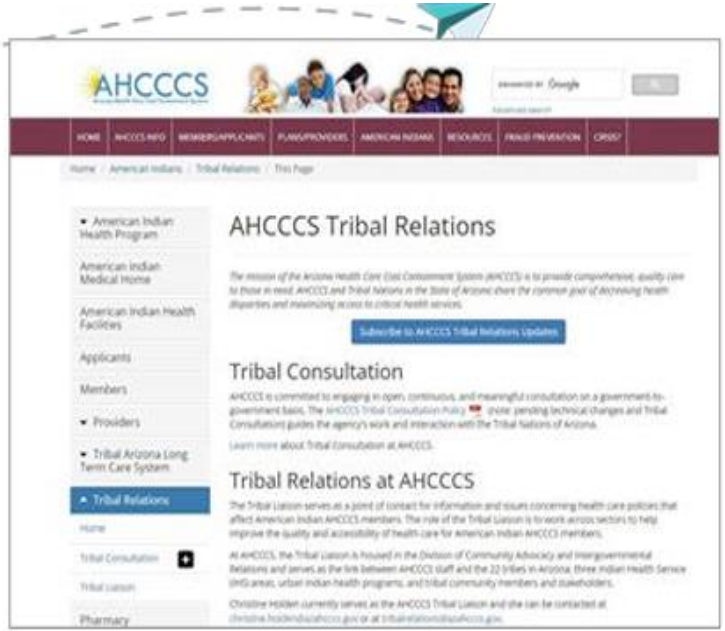

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[Tribal Relations Updates]

Questions

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