

1999 APA Convention Workshop



■ **Understanding Federal
Reimbursement, Medicare, and
CPT Coding**

Presented by:

Laurie Badanes Prather

James M. Georgoulakis, PhD, MBA

Antonio E. Puente, PhD

Moderator: Diane M. Pedulla, JD

Medicare Overview

Laurie Badanes Prather
APA Government Relations
Practice Directorate

Medicare

■ A federal health insurance program for people who are age 65 and older, disabled or suffer from chronic renal disorders.

Medicare Structure

- What are the benefits
 - ┆ Part A (Hospital Insurance)
 - ┆ Part B (Supplementary Medical Insurance)
 - ┆ Psychologists services
 - ┆ Part C (Medicare + Choice)
- HCFA
- Local Carrier

Local Medical Review Policy (LMRP)

- How is it developed?
- Why is it more restrictive than national policy?
- Reporting to your State Association and National Organization

Becoming a Provider

- Where to Apply to Become a Provider
- Specialty Designation
- Covered Services
- Excluded Services

Medical Necessity

- "reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member"
- Clinical Purposes
- Coverage Purposes
 - † All services must "stand alone"

APA's Role Regarding Medicare

- Member advocacy
- Track policies / evaluate trends
- HCFA contact
- Communication with State Associations
- Participation in AMA RUC and CPT

Resource Based Relative Value System (RBRVS)

Development and Implications for Psychologists

James M. Georgoulakis, PhD, MBA

History of Reimbursement

- Cost Plus Reimbursement
- Prospective Payment (PPS) and Diagnostic Related Groups (DRGs)
- Customary, Prevailing, and Reasonable (CPR)
- Physician Prospective Payment and Physician Diagnostic Related Groups (DRGs)
- Resource Based Relative Value System (RBRVS)
- Ambulatory Payment Categories

Purpose of RBRVS

- To provide equitable payment for medical services

Development of the RBRVS

- Phase I: Initial twelve physician specialties
- Phase II: Psychiatry
- Phase III: Psychology

RBRVS and Psychology

- APA and HCFA
- APA Technical Advisory Group (TAG)
- Development of Survey Vignettes
- Survey Results

Major Components of the RBRVS

- Resource Value Units
- Geographical Practice Cost Indexes
- Conversion Factor

Resource Value Units

- Physician Work Resource Value Unit
- Practice Expense Resource Value Unit
 - Non Facility
 - Facility
- Professional Liability Insurance (Malpractice) Component Resource Value Unit

Geographic Practice Cost Indexes (GPCIs)

- Physician Work GPCI
- Practice Expense GPCI
- Professional Liability (Malpractice) Insurance GPCI

Conversion Factor

■ Dollar value that is utilized to convert the resource value units and geographic practice cost indexes into a payment

Example

CPT Code 90806 - Individual, insight-oriented Psychotherapy in an office setting, 45-50 minutes face-to-face with the patient

Local Work*	Practice*	Malpractice*	Conversion Factor	Payment	
AL	0.978	0.872	0.876	\$34.732	\$94.09
AK	1.053	1.173	1.533	\$34.732	\$97.53

* Includes adjustment for the Geographic Practice Cost Indexes

Adoption of the RBRVS

- Medicare
- Blue Cross / Blue Shield 87%
- Managed Care 69%
- Medicaid 55%
- Other 44%

AMA's / HCFA Resource Value Update Committee

- Purpose
- APA's Role
- Members Responsibilities
- Benefits

Coding & Documentation for Psychological Services

Key Issues for Professional Psychologists

Antonio E. Puente, PhD

Model for Professional Psychological Services

- Procedure Coding
- Diagnosing
- Documenting
- Billing

Procedure Coding

- Defining Coding
 - ┆ Description of Professional Service Rendered
- Purpose of Coding
 - ┆ Research / Archival
 - ┆ Reimbursement
- Coding Systems
 - ┆ SNOMED
 - ┆ WHO / ICD
 - ┆ AMA / CPT

Background & Mechanics of the CPT

- First Developed in 1966
- Currently Using CPT 4th Edition
- 7,500 Discrete Codes
- AMA Developed & Owns the CPT
- Under Contract with HCFA
- APA has 1 Seat on the Advisory Panel to the CPT

CPT Codes Applicable to Psychological Services

- Total = Approximately 40
- Sections = Four Separate Sections
 - ┆ Psychiatry
 - ┆ Biofeedback
 - ┆ Central Nervous System Assessment
 - ┆ Physical Medicine & Rehabilitation

Psychiatry Codes

- Sections
 - Office or Other Outpatient
 - Inpatient Hospital, Partial Hospital or Residential Care Facility
 - Other Psychotherapy
 - Other Psychiatric Services or Procedures
- Insight Oriented, Behavior Modifying, and/or Supportive vs. Interactive Therapy

Central Nervous System Assessments/Tests

- 96100 = Psychological Testing
- 96105 = Aphasia Testing
- 96110/11 = Developmental Testing
- 96115 = Neurobehavioral Status
- 96117 = Neuropsychological Testing

Physical Medicine and Rehabilitation

- 97770 = Cognitive Skills Development

Current Coding Problems

- Total Possible Codes Which Are Usable in the CPT System = 60
- Total Number of Possible Codes Which Are Almost Always Reimbursable = 6
- Total Number of Possible Codes Which Are Sometimes Reimbursed = 35
- Total Number of Possible Codes Which Are Rarely Reimbursed = 19

Typically Reimbursed Codes

- Interviewing
 - 90801
- Assessment
 - 96100
- Intervention
 - 90804, 90806, 90816, 90818

Coding Modifiers

- Acceptability
 - Medicare = 95%
 - Other = Approximately 80%
- Modifiers
 - 22= Unusual or More Extensive Service
 - 51= Multiple Procedure
 - 52= Reduced Service
 - 53= Discontinued Service

Diagnosing

- If Psychiatric= DSM
- If Neurological= ICD

Documenting

- Purpose
- Payer Requirements
- General Principles
- History
- Examination
- Decision Making

Purpose of Documentation

- Evaluate and Plan for Treatment
- Communicate and Continuity of Care for Other Professionals
- Claims Review & Payment
- Research & Education

Payer Requirements

- Site of Service
- Medical Necessity for Service Provided
- Appropriate Reporting of Activity

General Principles of Documentation

- Complete & Legible
- Reason for Encounter
- Assessment, Impression, or Diagnosis
- Plan for Care
- Date & Identity of Observer
- Also;
 - ! Rationale for requested service
 - ! Risk factors
 - ! Progress or changes should be noted

Chief Complaint

- Concise Statement Describing the Symptom, Problem, Condition, Diagnosis

Billing

- Interview
 - ┆ If Dx is psychiatric, then 90801
 - ┆ If Dx is neurological, then 96115
- Testing
 - ┆ If Dx is psychiatric, then 96100
 - ┆ If Dx is neurological, then 96117
- Intervention
 - ┆ If Dx is psychiatric, then 90804+
 - ┆ If Dx is neurological, then 97770

Billing (continued)

- Diagnoses
 - ┆ If Dx is psychiatric, then use DSM
 - ┆ If Dx is neurological, then use ICD
 - ┆ Note: Avoid rule out diagnoses

Billing (continued)

- Issues Associated With Fraudulent Claims
 - ┆ Upcoding
 - ┆ Excessive or Unnecessary Visits to Nursing Facilities
 - ┆ Outpatient Billing Within 72 Hours of Hospital Discharge
 - ┆ CPT Code Usage Shifts
 - ┆ High Percentage of Same Code
 - ┆ Use of Same Time for Testing Across all Patients

Billing (continued)

- Typical Denials
- Service Not Covered
- No Prior Authorization Obtained
- Exceeded Allocated Time Limits
- Invalid or Incorrect Dx Codes
- CPT and Dx do not Match

Time

- Defining
 - ┆ Professional (not patient) Time Including:
 - ┆ pre, during, and post-clinical service activities
- Interview & Assessment Codes
 - ┆ Use Hourly Increments
- Intervention Codes
 - ┆ Use 15, 30, or 60 Minute Increments

Time (continued)

- AMA Definition of Time
 - Physicians also spend time during work, before, or after the face-to-face time with the patient, performing such tasks as reviewing records and tests, arranging for services and communicating further with other professionals and the patient through written reports and telephone contact

Time (continued)

- Preparing to see patient
- Reviewing of records
- Interviewing patient, family, and/or others
- When doing assessments:
 - ┆ Selection of tests
 - ┆ Scoring of tests
 - ┆ Reviewing results
 - ┆ Interpretation of results
 - ┆ Preparation and report writing

Time (continued)

- Communicating further with others
- Follow-up with patient, family and/or others
- Arranging for ancillary and/or other services

Time (continued)

- Quantifying Time
 - ┆ Round Up or Down to Nearest Increment
- Time Does Not Include
 - ┆ Patient Completing Tests, Forms, Etc.
 - ┆ Waiting Time by Patient
 - ┆ Typing of Reports
 - ┆ Non-Professional (e.g., clerical) Time
 - ┆ Literature Searches, Learning New Techniques, etc.

Summary, Directions & Resources

- Summary
- Directions
 - New Codes
 - CPT 5
 - HCFA Interface
 - Dissemination & Education
 - Future

Resources

- American Psychological Association (APA)
- National Academy of Neuropsychology (NAN)
- Division of Clinical Neuropsychology of APA
- HCFA
- National Institutes of Health (NIH)

Resources (continued)

- APA; Practice Directorate, Practitioners Guide; www.apa.org
- NAN; Directory: www.nan.drexel.edu
- Division 40; Practice Committee, Web Page
- HCFA; www.hcfa.gov
- NIH; http://odp.od.nih.gov/consensus/cons/109/109_statement.htm

Resources (continued)

- **NAN Bulletin**
 - 1994, Spring - Original Suggestions for Billing
 - 1998, Summer - Practice Patterns
 - 1997 - Top 25 Tests, Costs, & Longevity
- **Journal of Psychopathology & Behavioral Assessment (Puente, 1997)**
- **Professional Psychology (Camara, Nathan, & Puente, in press)**
- **Reimbursement for Clinical Neuropsychological Services**
