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**Coding, Diagnosing, Billing,
Reimbursement & Documentation Strategies for
Neuropsychological Services:
Medicare as the Benchmark**

2 American Psychological Association

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3 **Background**

- North Carolina Psychological Association
- American Medical Association's Current Procedural Terminology Committee (IV/V)
- Health Care Finance Administration's Working Group for a Model Mental Health policy
- Center for Medicare/Medicaid Services' Medicare Coverage Advisory Committee
- Development of NAN's new PAIO
- Consultant with the State Medicaid Office; Blue Cross/Blue Shield
- APA; Council of Rep, Division 40, P & P

4 **Purpose of Presentation**

- To explain the role of the Medicare program in benchmarking all forms of clinical activities, ranging from the actual provision of services to the reimbursement of such services

5 **Outline of Presentation**

- Medicare
- Current Procedural Terminology: Basic
- Current Procedural Terminology: Related
- Relative Value Units
- Current Problems & Possible Solutions

6 **Medicare: Overview**

- Why Medicare

- Medicare Program
- Local Medical Review

7 Medicare: Why

- **The Standard**
 - Coding
 - Value
 - Documentation
- Approximately two thirds of Institutions
- Approximately half of Outpatient Offices
- Becoming the Standard for Workers Comp.
- Increasing Percentage for Forensic Work

8 Medicare: Overview

- New Name: HCFA now CMS
 - Centers for Medicare and Medicaid Services
- New Charge: Simplify
- New Organization: Beneficiary, Medicare, Medicaid
- Benefits
 - Part A (Hospital)
 - Part B (Supplementary)
 - Part C (Medicare+ Choice)

9 Medicare: Local Review

- Local Medical Review Policy
- Carrier Medical Director
- Policy Panels

10 Current Procedural Terminology: Overview

- Background
- Codes & Coding
- Existing Codes
- New Codes (effective 01.01.02; revised 03.15.02)
- Model System X Type of Problem
- Medical Necessity
- Documenting
- Time

11 CPT: Background

- American Medical Association
 - Developed by Surgeons (& Physicians) in 1966 for Billing Purposes
 - 7,500 Discrete Codes
- HCFA/CMS
 - AMA Under License with CMS
 - CMS Now Provides Active Input into CPT
- Congress

– Trent Lott (2001)

12 **CPT: Background/Direction**

- Current System = CPT 5
- Categories
 - I= Standard Coding for Professional Services
 - II = Performance Measurement
 - III = Emerging Technology

13 **CPT: Applicable Codes**

- Total Possible Codes = 7,500
- Possible Codes for Psychology = Approximately 40 to 60
- Sections = Five Separate Sections
 - Psychiatry
 - Biofeedback
 - Central Nervous Assessment
 - Physical Medicine & Rehabilitation
 - Health & Behavior Assessment & Management

14 **CPT: Development of a Code**

- Initial
 - HCPAC
- Primary
 - CPT Work Group
 - CPT Panel
- Time Frame
 - 3-5 years

15 **CPT: Psychiatry**

- Sections
 - Interview vs. Intervention
 - Office vs. Inpatient
 - Regular vs. Evaluation & Management
 - Other
- Types of Interventions
 - Insight, Behavior Modifying, and/or Supportive vs. Interactive

16 **CPT: Psychiatry (cont.)**

- Time Value
 - 30, 60, or 90
- Interview
 - 90801
- Intervention
 - 90804 - 90857

17 **CPT: Biofeedback**

- Psychophysiological Training
 - 90901
- Biofeedback
 - 90875

18 **CPT: CNS Assessment**

- Interview
 - 96115
- Testing
 - Psychological = 96100; 96110/11
 - Neuropsychological = 96117
 - Other = 96105, 96110/111

19 **CPT: 96117 in Detail**

- Number of Encounters in 2000 = 293,000
- Number of Medical Specialties Using 96117 = over 40
- Psychiatry & Neurology = Approximately 3% each
- Clinics or Other Groups = 3%
- Unknown Data = Use of Technicians

20 **CPT: Physical Medicine & Rehabilitation**

- 97770 now 97532
- Note: 15 minute increments

21 **CPT: Health & Behavior Assessment & Mngmt.**

- Purpose: Medical Diagnosis
- Time: 15 Minute Increments
- Assessment
- Intervention

22 **Rationale: General**

- Acute or chronic (health) illness may not meet the criteria for a psychiatric diagnosis
- Avoids inappropriate labeling of a patient as having a mental health disorder
- Increases the accuracy of correct coding of professional services
- May expand the type of assessments and interventions afforded to individuals with health problems

23 **Rationale: Specific Examples**

- Patient Adherence to Medical Treatment
- Symptom Management & Expression
- Health-promoting Behaviors

- Health-related Risk-taking Behaviors
- Overall Adjustment to Medical Illness

24 **Overview of Codes**

- New Subsection
- Six New Codes
 - Assessment
 - Intervention
- Established Medical Illness or Diagnosis
- Focus on Biopsychosocial Factors

25 **Assessment Explanation**

- Identification of psychological, behavioral, emotional, cognitive, and social factors
- In the prevention, treatment, and/or management of *physical health* problems
- Focus on biopsychosocial factors (not mental health)

26 **Assessment (continued)**

- May include (examples);
 - health-focused clinical interview
 - behavioral observations
 - psychophysiological monitoring
 - health-oriented questionnaires
 - and, assessment/interpretation of the aforementioned

27 **Intervention Explanation**

- Modification of psychological, behavioral, emotional, cognitive, and/or social factors
- Affecting physiological functioning, disease status, health, and/or well being
- Focus = improvement of health with cognitive, behavioral, social, and/or psychophysiological procedures

28 **Intervention (continued)**

- May include the following procedures (examples);
 - Cognitive
 - Behavioral
 - Social
 - Psychophysiological

29 **Diagnosis Match**

- Associated with acute or chronic illness
- Prevention of a physical illness or disability

- Not meeting criteria for a psychiatric diagnosis or representing a preventative medicine service

30 **Health & Behavior Assessment Codes**

- 96150
 - Health and behavior assessment (e.g., health-focused clinical interview, behavioral observations, psychophysiological monitoring, health-oriented questionnaires)
 - each 15 minutes
 - face-to-face with the patient
 - initial assessment
- 96151
 - re-assessment

31 **Health & Behavior Intervention Codes**

- 96152
 - Health and behavior intervention
 - each 15 minutes
 - face-to-face
 - individual
- 96153
 - group (2 or more patients)
- 96154
 - family (with the patient present)
- 96155
 - family (without the patient present)

32 **Relative Values for Health & Behavior A/I Codes**

- 96150 = .50
- 96151 = .48
- 96152 = .46
- 96153 = .10
- 96154 = .45
- 96155 = .44

33 **CPT: Model System**

- Psychiatric
- Neurological
- Non-Neurological Medical

34 **CPT: Psychiatric Model
(Children & Adult)**

- Interview
 - 90801
- Testing
 - 96100, or
 - 96110/11

- Intervention
 - e.g., 90806
 - The challenge of New Mexico

35 **CPT: Neurological Model
(Children & Adult)**

- Interview
 - 96115
- Testing
 - 96117
- Intervention
 - 97532

36 **CPT: Non-Neurological Medical Model
(Children & Adult)**

- Interview & Assessment
 - 96150 (initial)
 - 96151 (re-evaluation)
- Intervention
 - 96152 (individual)
 - 96153 (group)
 - 96154 (family with patient)
 - 96155 (family without patient)

37 **CPT: New Paradigms**

- Evaluation & Management

38 **CPT: Evaluation & Management**

- Role of Evaluation & Management Codes
 - Procedures
 - Case Management
- Limitations Imposed by AMA's House of Delegates
- Health & Behavior Codes as an Alternative to E & M Codes

39 **CPT: Diagnosing**

- Psychiatric
 - DSM
 - The problem with DSM and neuropsych testing of developmentally-related neurological problems
- Neurological & Non-Neurological Medical
 - ICD

40 **CPT: Medical Necessity**

- Scientific & Clinical Necessity
- Local Medical Review or Carrier Definition of Necessity
- Necessity = CPT x DX
- Necessity Dictates Type and Level of Service
- Necessity Can Only be Proven with Documentation

41 **CPT: Documenting**

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

42 **Documentation: Purpose**

- Medical Necessity
- Evaluate and Plan for Treatment
- Communication and Continuity of Care
- Claims Review and Payment
- Research and Education

43 **Documentation: Payer Requirements**

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

44 **Documentation: General Principles**

- Rationale for Service
- Complete and Legible
- Reason/Rationale for Service
- Assessment, Progress, Impression, or Diagnosis
- Plan for Care
- Date and Identity of Observer
- Timely
- Confidential

45 **Documentation: Basic Information Across All Codes**

- Date
- Time, if applicable
- Identify of Observer
- Reason for Service
- Status
- Procedure

- Results/Finding
- Impression/Diagnoses
- Disposition
- Stand Alone

46 **Documentation:**
Mental Status

- 1
 - Language
 - Thought Processes
 - Insight
 - Judgment
 - Reliability
 - Reasoning
- 2
 - Perceptions
 - Suicidality
 - Violence
 - Mood & Affect
 - Orientation
 - Memory
 - Attention
 - Intelligence

47 **Documentation:**
Neurobehavioral Status Exam

- Attention
- Memory
- Visuo-spatial
- Language
- Planning

48 **Documentation: Testing**

- Names of Tests
- Interpretation of Tests
- Disposition
- Time/Dates

49 **Documentation:**
Intervention

- Reason for Service
- Status
- Intervention
- Results
- Impression
- Disposition

- Time

50 **Documentation: Ethical Issues**

- How Much and To Whom Should Information be Divulged
- Medical Necessity vs. Confidentiality

51 **Time**

- Defining
 - Professional (not patient) Time Including:
 - pre, intra & post-clinical service activities
- Interview & Assessment Codes
 - Generally use hourly increments
 - For new codes, use 15 minute increments
- Intervention Codes
 - Use 15, 30, or 60 minute increments

52 **Time: Testing**

- Quantifying Time
 - Round up or down to nearest increment
 - Testing = 15 or 60 (probably soon 30)
- Time Does Not Include
 - Patient completing tests, forms, etc.
 - Waiting time by patient
 - Typing of reports
 - Non-Professional (e.g., clerical) time
 - Literature searches, new techniques, etc.

53 **Time (continued)**

- Preparing to See Patient
- Reviewing of Records
- Interviewing Patient, Family, and Others
- *When Doing Assessments:*
 - Selection of tests
 - Scoring of tests
 - Reviewing results
 - Interpretation of results
 - Preparation and report writing

54 **Time: Example of 96117**

- Pre-Service
 - Review of medical records
 - Planning of testing
- Intra-Service
 - Administration
- Post-Service
 - Scoring, interpretation, integration with other records, written report, follow-up...

55 **Reimbursement History**

- Cost Plus
- Prospective Payment System (PPS)
- Diagnostic Related Groups (DRGs)
- Customary, prevailing & Reasonable (CPR)
- Resource Based Relative Value System (RBRVS)
- Prospective Payment System

56 **Relative Value Units: Overview**

- Components
- Units
- Values
- Current Problems

57 **RVU: Components**

- **Physician Work Resource Value**
- **Practice Expense Resource Value**
- Malpractice
- Geographic
- Conversion Factor (approx. \$34)

58 **RVU: Values**

- Psychotherapy:
 - Prior Value = 1.86
 - New Value = 2.0+ (01.01.02)
- Psych/NP Testing:
 - Work value = 0
 - Hsiao study recommendation = 2.2
 - New Value = undetermined
- Health & Behavior
 - .25 (per 15 minutes increments)

59 **RVU: Acceptance**

- Medicare
- Blue Cross/Blue Shield 87%
- Managed Care 69%
- Medicaid 55%
- Other 44%
- New Trends: Compensation Formulas

60 **Current Problems**

- Definition of Physician
- Incident to
- Supervision
- Face-to-Face

- Time
- RVUs
- Work Values
- Qualification of Technicians
- Practice Expense
- Payment
- Prospective Payment System
- **Focus** for Fraud & Abuse

61 **Defining Fraud**

- Fraud
 - Intentional
 - Pattern
- Error
 - Clerical
 - Dates

62 **Problem: Fraud & Abuse**

- 26 Different Kinds of Fraud Types
- Mental Health Profiled
- Estimates of Less Than 10% Recovered
- Psychotherapy Estimates/Day = 9.67 hours
- Problems with Methodology;
 - MS level and RN
 - Limited Sampling

63 **Problem: Fraud**

Office of Inspector General

- Primary Problems
 - Medical Necessity (approximately \$5 billion)
 - Documentation
- Psychotherapy
 - Individual
 - Group
- Psychological Testing
 - # of Hours
 - Documentation

64 **Problem: Fraud (cont.)**

- Nursing Homes
 - Identification
 - Overuse of Services
- Children
- Experience
 - California; Texas
 - Corporation Audit

- Company Audit
- Personal Audit

65 Problem: Fraud (cont.)

- Estimated Pattern of Fraud Analysis
 - For-profit Medical Centers
 - For-profit Medical Clinics
 - Non-profit Medical Centers
 - Non-profit Medical Clinics
 - Nursing Homes
 - Group Practices
 - Individual Practices

66 Current Efforts

- Participants
 - APA Practice
 - Related Organizations (NAN, SPA)
- Activities
 - E & M Documentation Guidelines
 - Medical vs. Mental Health Dx
 - Supervision
 - Three Levels
 - Physician Supervision
 - Survey
 - Practice Expense vs. Cognitive Work
 - Professional vs. Technical Component

67 Possible Solutions

- Better Understanding & Application of CPT
- More Involvement in Billing
- Comprehensive Understanding of LMRP
- More Representation/Involvement with AMA, CMS, & Local Medical Review Panels
- Meetings with CMS
- Survey for Testing Codes
- APA: Increased Staff & Relationship with CAPP
- Local Interest Groups

68 Possible Solutions: Resources

- Web Sites
 - cms.org
 - nanonline.org
 - div40.org
 - clinicalneuropsychology.us
- Publications
 - Testing Times: Camara, Puente, & Nathan (2000)
 - General CPT: NAN & Div 40 Newsletters

69 Questions? Answers...

- Questions?

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