



AMERICAN
PSYCHOLOGICAL
ASSOCIATION
PRACTICE ORGANIZATION

New Medicare Billing Rules for Testing Services Effective 10/1/2006

INFORMATION ALERT: FOR YOUR IMMEDIATE ATTENTION

Earlier this year, a series of expanded Current Procedural Terminology® (CPT) codes took effect for psychological and neuropsychological testing services. Now a new rule implemented by Medicare's National Correct Coding Initiative (NCCI) will impact those psychologists and neuropsychologists who use technicians and/or computers for test administration under these codes. Despite our efforts to stop this rule, restrictions imposed by NCCI may require those psychologists who bill Medicare to adjust their billing practices for testing services in specified circumstances involving technicians or computers, effective October 1st 2006.

The Problem

NCCI is a contract program of the Center for Medicare and Medicaid Services (CMS) intended to prevent incorrect payments for Medicare services. In March, 2006, the NCCI contractor solicited APA's comments, as required by Medicare, on proposed reimbursement changes for psychological and neuropsychological testing services. NCCI proposed applying restrictions (referred to as edits) to testing reimbursement, so that the CPT codes used to capture a psychologist's or neuropsychologist's time could not be billed together with technician or computerized testing CPT codes for the performance and/or interpretation of the same test(s).

Unfortunately, these restrictions were finalized and sent to Medicare carriers for implementation as of October 1st.

APA has vigorously challenged this restriction, arguing that psychologists should bill the professional CPT codes for the time they spend on the integration of all test results and the comprehensive report writing, in addition to time billed for a technician's or computer's test administration.

The NCCI position is in direct conflict with the original understanding between APA and CMS at the time the new series of CPT testing codes were created. APA has spent many years advocating for an increase in Medicare reimbursement rates for psychological and neuropsychological testing, because under the old CPT codes the psychologist's "professional work component" in the reimbursement formula was literally zero. In 2005, CMS finally agreed to recognize the value of the psychologist's professional skill and expertise, in return for the creation of additional CPT codes to differentiate who was providing which services as part of an assessment battery. These changes resulted in higher payment rates for the professional CPT codes which went into effect January 1, 2006, yielding typically higher overall Medicare reimbursement for an assessment battery.

Despite our original understanding with CMS, however, the recent NCCI edits -- and a draft CMS clarification described below -- will potentially lead to reimbursement problems in those situations when technicians or computers are used as part of the assessment process.

APA is nevertheless continuing to advocate our position with CMS and NCCI that use of the professional CPT code is essential for capturing the psychologist's or neuropsychologist's portion of the work including:

- Writing an integrative report based on the results of all tests administered, behavioral observations, patient history, and other relevant information
- Making a diagnosis
- Identifying the risk of harm to self or others
- Determining the prognosis and recommendations for treatment

APA Advocacy

The Practice Directorate has worked for many months, partnering with APA Division 40, the National Academy of Neuropsychology and the Society for Personality Assessment, to demonstrate to NCCI its misapplication of the intended codes. We also sought assistance from the AMA and the Centers for Medicare and Medicaid Services (CMS) to forestall the impending NCCI edits.

In fact, we began our efforts with CMS in late 2005 to prevent any potential implementation problems with the new codes prior to their effective date of January 1, 2006. Throughout this year, we have repeatedly contacted the agency, providing explanatory materials about psychological and neuropsychological testing including illustrative articles, APA toolkit materials, case histories, and descriptive materials about the differing roles of the professional and technician extenders. APA senior staff and representatives from our partnering associations also met in April with high-level CMS officials about the need for a CMS instruction to carriers to prevent implementation problems.

Throughout the year, we have experienced an ongoing lack of responsiveness from CMS, with repeated delays in response to our calls and emails to CMS staff and to our follow up communication attempts with senior CMS officials. Importantly, we have never received feedback, either formally or informally, from CMS regarding their position about the input APA has been providing.

When CMS informed us in late summer that they would finally release to all carriers the APA-requested clarification regarding billing the testing codes, we asked NCCI to table the proposed edits until CMS issued the clarification. Despite our advocacy, we learned on September 29th that NCCI decided to impose the changes anyway, effective October 1, 2006.

Moreover, and on that same day, CMS finally issued its clarification transmittal to all Medicare carriers. APA had not been given any advance warning about the content of the clarification, which essentially supports the NCCI position. The CMS transmittal indicates that the professional and technician/computer codes can only be paid together "on the rare occasion when billed on the same date of service for different and separate tests".

While the CMS transmittal gives Medicare carriers until December 28th, 2006, for implementation, it now adds considerable authority to the NCCI position. Psychologists should be aware that some Medicare contractors may have already begun to incorporate the CMS and NCCI positions into their own local carrier policies, well before the 12/28/06 CMS deadline.

Billing changes

Refer to the attached reference sheet below for specific billing instructions, including the use of a "modifier code" for some specific situations, as suggested by the NCCI instructions to carriers.

For those psychologists and neuropsychologists who do not employ technicians or computerized testing as part of their assessment work for Medicare, there are no billing changes necessary.

For those who do use technicians or computers, the NCCI instructions restrict the manner in which psychological testing codes (96101, 96102 and 96103) and neuropsychological testing codes (96118, 96119 and 96120) can be billed.

Under the new NCCI restrictions, no two codes for psychological testing [professional (96101); technician (96102); or computer

(96103)] may be billed together for the same patient on the same day unless the codes represent different tests or services.

The same procedures apply to neuropsychological testing claims involving technicians or computer testing. That is, the neuropsychologist code (96118), technician code (96119) and computer code (96120) may not be billed together for the same patient on the same day unless the codes represent different tests or services.

Next steps

APA is continuing to actively challenge the NCCI and CMS positions, which appear to reflect an ongoing lack of understanding about the professional work of neuropsychologists and psychologists, as well as confusion about testing services in general. We are pursuing multiple avenues, including advocacy with CMS regulators, AMA staff, and our contacts on Capitol Hill. In addition to requesting immediate changes in these policies, we are expressing our grave concerns about the negative effects of these policies on access to psychological and neuropsychological testing services for Medicare beneficiaries.

Psychologists should carefully check their local Medicare carrier newsletters and updates for changes to the payment policies for testing services. Any changes to local policies restricting the use of the codes should be reported immediately to Government Relations staff at the telephone number below.

Questions

For more information contact the APA Practice Organization's Government Relations office at 202-336-5889.

Attachment:

Reference sheet – Billing Changes for Psychologists and Neuropsychologists Who Provide Medicare Testing Services (10/11/06)

REFERENCE SHEET

Billing Changes for Psychologists & Neuropsychologists Who Provide Medicare Testing Services

APA Practice Organization - October 11, 2006

For psychologists and neuropsychologists who do not employ technicians or computerized testing procedures: no changes are necessary. Simply bill using the professional code for the psychologist's time (96101) or the neuropsychologist's time (96118).

For those who do employ technician extenders or use computerized tests: the NCCI rules do apply at the present time.

Under the new NCCI restrictions, no two codes for psychological testing [professional (96101); technician (96102); or computer (96103)] may be billed together for the same patient on the same day unless the codes represent different tests or services. If different tests are administered by the psychologist and the technician or computer, the NCCI instruction does permit two codes in these ranges to be billed together, provided a "- 59" modifier is used. Without the "- 59" modifier, only one code per claim will be paid, with the others denied.

The same procedures apply to neuropsychological testing claims involving technicians or computer testing. That is, the neuropsychologist code (96118), technician code (96119) and computer code (96120) may not be billed together for the same patient on the same day unless the codes represent different tests or services. In that case, the "- 59" modifier must also be included in the billing.

For billing where the NCCI instruction permits the use of the "- 59" modifier

When a psychologist bills two or more codes in the 96101 to 96103 range or two codes in the 96118 to 96120 range for the same patient on the same day, enter the following information on line 24 of the CMS-1500 claim form:

- the CPT testing code,
- the number of units that were provided, and
- the modifier "- 59" (enter with each CPT testing code)

For example, if you bill for testing administered by a neuropsychologist (96118) along with testing administered by a technician (96119) for the same patient, then the modifier must be included on the claim form along with each CPT code. The same is true for psychological testing.

Psychologists should be aware that the use of a modifier may result in additional carrier processing time, leading to a delay in receiving reimbursement.

Note: If the testing was completed solely the neuropsychologist (96118) or psychologist (96101), no modifier should be used.

For additional questions, please call the APA Practice Organization's Government Relations office at 202-336-5889.