



## COMPILATION OF MEDICAID STATE BARRIERS TO PSYCHOLOGICAL SERVICES

### BARRIERS TO PSYCHOLOGIST PARTICIPATION AND REIMBURSEMENT IN MEDICAID

#### Limited Recognition of Independent Provision of Services

##### DESCRIPTION

In some states, psychologists cannot self-initiate services; rather, psychologist services must have a physician written order.

##### SAMPLE STATE PROVISIONS

In New York, for psychologist services, a referral is needed from the patient's personal physician or nurse practitioner, medical director, school official, social agency.

##### CHALLENGES/OPPORTUNITIES FOR REMOVING THE BARRIER

Licensed psychologists are highly trained professionals capable of treating patients without a physician order, and patients are frequently capable of self-referring for these services. In this time of physician shortages and increasing wait times to obtain physician appointments, requiring a physician to order psychologist services can result in patients not receiving psychologist services on a timely basis or at all. Further, where there is a physician order requirement, health care costs are incurred for the physician visit as well as the psychologist service. Moreover, psychologist services may otherwise be subject to service limits and prior approvals, such that a physician referral would be unnecessary for cost containment.

#### Limited Provision of Services Within Scope of Practice

##### DESCRIPTION

In some states, psychologists may only furnish testing and evaluation services, and cannot furnish psychotherapy services. In some circumstances psychologists can only furnish psychotherapy services through an Outpatient Mental Health Clinic. There may be a distinction between what the state covers under fee-for-service Medicaid versus managed Medicaid.

##### SAMPLE STATE PROVISIONS

In the traditional Massachusetts Medicaid program, psychologists are only paid for psychological testing services, not for psychotherapy services. MassHealth only pays for psychotherapy services provided in an Outpatient Mental Health Clinic.

In Washington state, psychologists are only paid for psychotherapy for children.

##### CHALLENGES/OPPORTUNITIES FOR REMOVING THE BARRIER

Licensed psychologists are highly trained, independent professionals who, if permitted to practice to the full extent of their licenses, can contribute meaningfully to improve patient mental health outcomes. There is a shortage of mental health professionals and the anticipated expansion of the Medicaid population will increase demand for mental health services. Thus Medicaid programs should recognize and cover on a consistent basis psychotherapy, testing and evaluation services performed by psychologists within their state's scope of practice. This will promote patient choice of provider, and allow Medicaid patients to access the range of psychological services available to patients in the private sector.

## Reimbursement for Services Provided Under Supervision

### DESCRIPTION

In some states, psychologists who are granted a limited license are unable to bill Medicaid for services. In most states, there is no mechanism for licensed psychologists to bill for services performed by supervised interns, residents, and post-doctoral trainees.

### SAMPLE STATE PROVISIONS

In New York, Medicaid reimbursement is not available for supervision or services provided by unlicensed interns, trainees or assistants, or for practitioners with limited permits who have not yet completed their supervised experience or are licensed in another state or country.

In North Carolina, provisionally licensed, psychologists who have yet to complete their postdoctoral hours may only bill for services under North Carolina Medicaid “incident to” a physician’s services.

In Maryland, the services of psychological interns, externs or graduate students for psychological testing are not reimbursed, except in limited situations such as when provided at an Outpatient Mental Health Clinic or hospital with a psychology training program.

### CHALLENGES/OPPORTUNITIES FOR REMOVING THE BARRIER

There will be a need for states to build the mental health infrastructure to serve the newly covered Medicaid population for whom health care reform guarantees mental health benefits and mental health parity. Moreover, there is a substantial need for mental and behavioral health services in this population demographic in particular. Eliminating unnecessary restrictions on the practice of licensed psychologists by allowing the full use of interns, residents and post-doctoral trainees under the supervision of a licensed psychologist will help to provide a robust infrastructure of mental health professionals.

There is an obvious parallel to the training of physicians, in which physicians are permitted to bill for the services of interns and residents so long as they are present for “key portions” of the service. Permitting psychologists to bill for services furnished by qualified trainees, so long as appropriate supervisory criteria are met, will go a long way toward creating a robust mental health infrastructure, as well as a pipeline of qualified mental health professionals.

**BARRIERS TO IMPLEMENTATION OF INTEGRATED CARE****Limited Coverage and Payment For Health & Behavior CPT® Codes (Codes 96150-96155)****DESCRIPTION**

The Health and Behavior (H&B) Assessment/Intervention Codes (CPT codes 96150-96155) have been effective since January 2002, yet a number of states do not recognize coverage and payment of these CPT codes. These codes were created for use by non-physician providers, including psychologists, to describe services performed to address difficulties associated with an acute or chronic illness, prevention of a physical illness or disability, and maintenance of health, that do not meet criteria for a psychiatric diagnosis. The services billed using these codes must be within the scope of practice of the non-physician provider. The codes capture services addressing a wide range of physical health issues, such as patient adherence to medical treatment, symptom management, health-promoting behaviors, health-related risk-taking behaviors, and overall adjustment to physical illness. Medical necessity criteria are a diagnosed physical health problem or illness, and non-compliance with a treatment plan or biopsychosocial factors associated with a newly diagnosed or exacerbated physical illness.

There are two H&B Assessment Codes (96150, 96151), and four H&B Intervention Codes (96152-96155). The H&B Assessment procedure codes are used to identify the psychological, behavioral, emotional, cognitive, and social factors important to the prevention, treatment, or management of physical health problems. The focus is not on mental health, but on the biopsychosocial factors important to physical health problems and treatments. The H&B Intervention procedure codes are used to modify these same factors when they are important to or directly affect the patient's physiological functioning, disease status, health, and well-being. H&B Intervention is meant to improve the patient's health and well-being utilizing cognitive, behavioral, social, and/or psychophysiological procedures designed to ameliorate specific disease-related problems. Some coverage policies, including Medicare, limit the use of these codes to patients who have not been diagnosed with any mental health disorder. This means the codes cannot be billed even if the H&B services relate to a separately diagnosed physical condition.

These codes are covered and paid by Medicare but only on a sporadic basis by the state Medicaid programs. The Centers for Medicare & Medicaid Services ("CMS") has not issued a national coverage determination for the H&B Codes, and therefore Medicare coverage of these codes is determined by the Medicare Administrative Contractors ("MACs") for each jurisdiction served by the individual contractor. As of April 2006, all MACs cover the H&B Codes. Pricing for these codes varies by MAC jurisdiction. Facility and non-facility prices are published in the [Medicare Physician Fee Schedule](#).

**SAMPLE STATE PROVISIONS**

Medicaid coverage of H&B Codes is on a state-by-state basis. Of the five states researched by this firm in depth, four (MA, NY, NC, and WA) do not recognize the H&B codes at all. The fifth, Maryland, covers only H&B Codes 96150, 96151, and 96152. Based on secondary research, only 11 states recognize all of the H&B codes (AZ, CT, ID, IA, OH, OK, SD, TN, TX, UT, WI) and another thirteen states recognize part of the H&B code series (AK, CA, DC, GA, KS, KT, ME, MD, MN, NV, NM, ND, SC). See National Council for Community Behavioral Healthcare. *See also* [National Council for Community Behavioral HealthCare, Map: States Use of Medicaid's Health and Behavior Assessment/Intervention \(HBAI\) codes \(96150-96155 CPT Series\)](#).

We understand (although our limited research did not identify any such states) that, even in states with H&B coverage, not all states recognize the H&B codes as billable by psychologists. For instance, we understand that Connecticut only permits H&B codes to be billed on the physician fee schedule, not the psychologist fee schedule, and South Carolina only permits billing of the codes by physicians (for assessments) or physicians and nurse practitioners (for intervention).

### **CHALLENGES/OPPORTUNITIES FOR REMOVING THE BARRIER**

Since the Medicare program already covers and pays for H&B Codes, their coverage in the Medicaid program is consistent with CMS's mission. Coverage and payment for the H&B codes in both the existing and expanded Medicaid program is important for achieving the goals of health reform, including the integration of physical and mental health services. Overall cost savings also are a beneficial outcome of coverage of H&B codes, as these services help patients overcome behavioral/psychological barriers to improving health following diagnosis of a physical condition, including medication compliance and adherence to other medical recommendations. This reduces readmissions, emergency room visits, and other costly episodes of care.

Health reform, and its implementation to date, suggests that there will be much discretion left to the states as to the extent of Medicaid coverage for the newly covered population. Specifically, while mental health benefits are a specifically enumerated statutory benefit in health reform, meaning that it must be covered, services billed under the H&B codes are not considered mental health services. Rather, they are physical health services. Thus, the extent to which states will be obligated to cover them will depend on the benchmark package of benefits, which is keyed to employer group health plan coverage. Many private payors recognize H&B services, as does Medicare, but it is not clear whether coverage of CPT codes (i.e. H&B) will be specified in all states in the benchmark package of benefits.

The success of health reform, including the Medicaid expansion, will depend on the ability to manage complex patients cost effectively. These complex patients, including especially the dual eligible population, account for most of the expenditures made. Psychologist services that enhance patient compliance with complicated drug regimens, or assist patients in adopting more healthy behaviors associated with a diagnosed physical health condition or its exacerbation, will be critical to reducing costly hospital admissions and readmissions, as well as emergency room visits, for chronically ill patients.

Pilots and demonstration projects authorized by the Affordable Care Act (ACA) may provide an opportunity for increased recognition of the H&B Codes. Fifteen states, including four of the states reviewed (MA, NY, NC and WA) have been selected to participate in the Dual Eligible Program.

CMS should recommend that states:

- Cover the H&B codes in pilots and demonstration projects as a mechanism for managing the dual eligible population
- Recognize independently practicing psychologists as providers capable of billing under such codes both within and outside pilots and demonstration projects, and
- Permit psychologists to provide health and behavioral services for patients with a coexisting mental health diagnosis.

For example, CMS should prepare an Informational Bulletin or State Medicaid Director's Letter describing the health benefits to the Medicaid population, as well as the potential cost benefits to the program, of coverage and payment of the H&B codes.

### **Limits on Same Day Billing**

#### **DESCRIPTION**

Certain states may not reimburse psychologist services when furnished on the same day as another provider. This is often expressed as a "same service" limitation, since both providers would be billing (e.g. MDs using Evaluation and Management (E&M) Codes), psychologists and mental health professionals utilizing H&B codes) albeit providing different specialized services.



### **SAMPLE STATE PROVISIONS**

North Carolina Medicaid does not reimburse for the same services provided by the same or different attending provider on the same day for the same recipient.

### **CHALLENGES/OPPORTUNITIES FOR REMOVING THE BARRIER**

A significant component of patient compliance is the ability of patients to get to appointments with health care providers. Transportation limitations, illnesses that impede mobility, etc. result in patients not obtaining necessary care for physical as well as mental health conditions. Especially where psychologists can be helpful in patient compliance and healthy behaviors in patients, psychological services furnished on the same day as other medical services should be recognized, covered and paid. Since many state Medicaid programs cover and pay for transportation services, same day billing limitations also result in duplicate state transportation expenditures.

Same day billing limitations do not advance the goals of the new, integrative health models. States that are implementing initiatives that seek to integrate physical and mental health services should be receptive to eliminating the “same day” barrier. For instance, in North Carolina, Community Care of North Carolina/Carolina ACCESS has a Behavioral Health Integration Initiative which seeks to integrate behavioral health and primary care. These types of initiatives envision multidisciplinary health teams composed of multiple providers, including mental health providers. Other states may be incorporating integration of mental and physical health services in medical home models.

## **Limits on Telemedicine**

### **DESCRIPTION**

Medicaid encourages states to create innovative payment methodologies for services that incorporate telemedicine technology, but states have the option to determine whether or not to cover telemedicine, what types of telemedicine to cover, and where and how telemedicine is covered. The telemedicine definition contemplates two-way, real time interactive communication including, at a minimum, audio and video equipment.

### **SAMPLE STATE PROVISIONS**

Even those states that do cover telemedicine may not recognize psychologists as eligible to provide telemedicine services (e.g., New York, Washington).

States recognizing telemedicine may only recognize it in the context of making available greater expertise at the remote site, meaning that there must be a mental health professional at both the “originating” site and the “distant” site. In some states, (e.g., Maryland) psychologists may only be reimbursed for services at the “originating” site and only psychiatrists are reimbursed for services at the “distant” site.

### **CHALLENGES/OPPORTUNITIES FOR REMOVING THE BARRIER**

States expanding Medicaid will be faced with limited resources to provide mental health services. States should be encouraged to provide mental health services through telemedicine on an expanded basis, eliminating

- the barriers to the provision of telemedicine services by psychologists, and
- the limitation on the furnishing of psychological counseling services directly to the patient through telemedicine.

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