

Psychology Services

Provider Manual



Iowa Department
of Human Services

| | | |
|---|--|-----------------------|
|  Iowa Department of Human Services | Provider Psychology Services | Page 1 |
| | | Date April 1, 2014 |

TABLE OF CONTENTS

[Chapter I. General Program Policies](#)

[Chapter II. Member Eligibility](#)

[Chapter III. Provider-Specific Policies](#)

[Chapter IV. Billing Iowa Medicaid](#)

[Appendix](#)

III. Provider-Specific Policies





TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| CHAPTER III. PROVIDER-SPECIFIC POLICIES | 1 |
| A. PSYCHOLOGISTS ELIGIBLE TO PARTICIPATE | 1 |
| B. COVERAGE OF PSYCHOLOGIST SERVICES | 3 |
| 1. Covered Services | 3 |
| a. Mileage | 3 |
| b. Psychological Examinations | 4 |
| c. Psychotherapy..... | 4 |
| 2. Exclusions | 5 |
| 3. Interpreter Services | 5 |
| a. Documentation of the Service..... | 5 |
| b. Qualifications | 6 |
| 4. Service Reviews | 6 |
| C. BASIS OF PAYMENT..... | 7 |
| D. PROCEDURE CODES AND NOMENCLATURE | 7 |
| E. BILLING POLICIES AND CLAIM FORM INSTRUCTIONS | 8 |



CHAPTER III. PROVIDER-SPECIFIC POLICIES

A. PSYCHOLOGISTS ELIGIBLE TO PARTICIPATE

All psychologists licensed to practice in the state of Iowa or other states and meeting the standards of the National Register of Health Service Providers in Psychology are eligible to participate in the Medicaid program.

Criteria for listing in the National Register are as follows:

- ◆ Currently licensed or certified by the state board of examiners for psychology at the independent practice level of psychology.
- ◆ A doctorate degree in psychology from a regionally accredited educational institution.
- ◆ Two years of supervised experience in health service, of which at least one year is postdoctoral and one year (may be postdoctoral year) is in an organized health service training program.

To qualify, internships must meet all the criteria required by the American Psychological Association, as follows:

- ◆ An organized training program, in contrast to supervised experience or on-the-job training, is designed to provide the intern with a planned, programmed sequence of training experiences. The primary focus and purpose is assuring breadth and quality of training.
- ◆ The internship agency had a clearly designated staff psychologist who was responsible for the integrity and quality of the training program and who was actively licensed or certified by the state board of examiners in psychology.
- ◆ The internship agency had two or more psychologists on the staff as supervisors, at least one of whom was actively licensed as a psychologist by the state board of examiners in psychology.
- ◆ Internship supervision was provided by a staff member of the internship agency or by an affiliate of that agency who carried clinical responsibility for the cases being supervised. At least half of the internship supervision was provided by one or more psychologists.
- ◆ The internship provided training in a range of assessment and treatment activities conducted directly with members seeking health services.



- ◆ At least 25% of the trainee's time was in direct patient contact (minimum 375 hours).
- ◆ The internship included a minimum of two hours per week (regardless of whether the internship was completed in one year or two) of regularly scheduled, formal, face-to-face individual supervision with the specific intent of dealing with health services rendered directly by the intern.

There must also have been at least two additional hours per week in learning activities such as:

- Case conferences involving a case in which the intern was actively involved.
 - Seminars dealing with clinical issues.
 - Cotherapy with a staff person including discussion, group supervision, and additional individual supervision.
- ◆ Training was post-clerkship, post-practicum and post-externship level.
 - ◆ The internship agency had a minimum of two interns at the internship level of training during the applicant's training period.
 - ◆ The trainee had a title such as "intern," "resident," "fellow," or other designation of trainee status.
 - ◆ The internship agency had a written statement or brochure which described the goals and content of the internship, stated clear expectations for quantity and quality of trainee's work and was made available to prospective interns.
 - ◆ The internship experience (minimum 1,500 hours) was completed within 24 months.

Psychologists who are not listed in the National Register but who feel they meet those qualifications should present their credentials to Iowa Medicaid Enterprise (IME). A questionnaire must be completed to establish that National Register standards are met.

Psychologists must be independently practicing and not employed by a physician, hospital, community mental health center, or other entity.



B. COVERAGE OF PSYCHOLOGIST SERVICES

With the cooperation and advice of the Iowa Psychological Association, the Department has established standards governing service for which payment will be made and formulated policies and procedures to be followed.

Payment will be approved for services as authorized by state law when they are provided by the psychologist in the psychologist's office, a hospital, nursing, or residential care facility.

Payment shall be made only for time spent in face-to-face consultation with the member. No payment will be made for services rendered by employees of the psychologist or for services not rendered personally by the psychologist.

1. Covered Services

Coverage is generally limited to psychotherapy and psychological examinations in the office setting. However, payment will be made for covered procedures necessary to maintain continuing treatment during periods of hospitalization or convalescence for a physical illness.

Payment will also be made for procedures provided within a hospital, day hospital, nursing facility or residential care facility as part of an approved plan of treatment when a psychologist is not employed by the facility.

a. Mileage

Payment will be approved for mileage when the following conditions are met:

- ◆ It is necessary for the psychologist to travel outside of the home community, and
- ◆ There is no qualified mental health professional more immediately available in the community, and
- ◆ The member has a medical condition which prohibits travel.



b. Psychological Examinations

Payment will be approved for psychological examination and testing for purposes of evaluation, placement, psychotherapy, or assessment of therapeutic progress not to exceed eight hours in any 12-month period.

Medicaid members and applicants entering nursing homes (ICF and SNF) are screened by the IME to determine if the person has a need related to mental illness, intellectual disability, or a related condition (developmental disability). This is a Level I screening.

If the person has such needs, the IME requires a further evaluation before Medicaid will pay the nursing home care. This Level II evaluation shall specifically identify the needs of the member, so the facility can develop a plan to meet the member's needs. This examination is payable even if the member has already received eight hours of examination and testing.

These procedures are part of the Health Care Financing Administration's Preadmission Screening and Annual Resident Review (PASARR) requirements.

c. Psychotherapy

Payment will be approved for the following:

- ◆ Individual outpatient psychotherapy or other psychological procedures not to exceed one hour per week or 40 hours in any 12-month period; or
- ◆ Couple, marital, family or group outpatient therapy not to exceed one and one-half hours per week or 60 hours in any 12-month period; or
- ◆ A combination of individual and group therapy not to exceed the cost of 40 individual therapy hours in any 12-month period.



2. Exclusions

Payment will not be made for the following:

- ◆ Psychological examinations performed without relationship to evaluations or psychotherapy for a specific condition, symptom, or complaint.
- ◆ Psychological examinations covered under Part B of Medicare, except for the Part B Medicare deductible or coinsurance.
- ◆ Psychological examinations employing unusual or experimental instrumentation.
- ◆ Individual or group psychotherapy without specification of condition, symptom, or complaint.
- ◆ Sensitivity training, marriage enrichment, assertiveness training, growth groups or marathons, and psychotherapy for nonspecific conditions of distress, such as job dissatisfaction or general unhappiness.

3. Interpreter Services

Interpretative services may be covered, whether done orally or through sign language. Interpreters must provide only interpretation services for the agency. The services must facilitate access to Medicaid covered services.

In order for interpretation services to be covered by Iowa Medicaid, the services must meet the following criteria:

- ◆ Provided by interpreters who provide only interpretive services
- ◆ Interpreters may be employed or contracted by the billing provider
- ◆ The interpretive services must facilitate access to Medicaid covered services

Providers may only bill for these services if offered in conjunction with an otherwise Medicaid covered service. Medical staff that are bilingual are not reimbursed for the interpretation but only for their medical services.

a. Documentation of the Service

The billing provider must document in the member's record the:

- ◆ Interpreter's name or company,
- ◆ Date and time of the interpretation,
- ◆ Service duration (time in and time out), and
- ◆ Cost of providing the service.



b. Qualifications

It is the responsibility of the billing provider to determine the interpreter's competency. Sign language interpreters should be licensed pursuant to 645 Iowa Administrative Code (IAC) Chapter 361. Oral interpreters should be guided by the standards developed by the [National Council on Interpreting in Health Care](#).

Following is the instruction for billing interpretive services when that service is provided by an outside commercial translation service:

- ◆ Bill code T1013
 - For telephonic interpretive services use modifier "UC" to indicate that the payment should be made at a per-minute unit.
 - The lack of the UC modifier will indicate that the charge is being made for the 15 minute face-to-face unit.
- ◆ Enter the number of minutes actually used for the provision of the service. The 15 minute unit should be rounded up if the service is provided for 8 minutes or more.

NOTE: Because the same code is being used but a conditional modifier may be necessary, any claim where the UC modifier is **NOT** used and the units exceed 24 will be paid at 24 units.

4. Service Reviews

The Department maintains a process of review of service through the IME. The following services are subject to review:

- ◆ Protracted therapy, beyond 16 visits. These cases shall be reviewed following the sixteenth therapy session and may be reviewed periodically thereafter.
- ◆ Any service which does not appear necessary or appears to fall outside the scope of what is professionally appropriate or necessary for a particular condition.



C. BASIS OF PAYMENT

Psychologists are reimbursed based on a fee schedule. The amount billed should reflect the actual cost of providing the services. The fee schedule amount is the maximum payment allowed.

Click [here](#) to view the fee schedule for Psychologists.

D. PROCEDURE CODES AND NOMENCLATURE

Enter the procedure code, description of service, and total length of time spent with the member in field 24D of the claim form. Claims submitted without a procedure code and an ICD-9-CM or DSM IV diagnosis code will be denied.

When a combination of the group, family, and individual therapy is provided, the limit is that the cost shall not exceed the allowance for 40 hours of individual therapy per year.

| <u>Modifier</u> | <u>Description</u> |
|------------------------|---------------------------|
|------------------------|---------------------------|

- | | |
|----|--|
| Z1 | Modifier used after the procedure code when services are a result of an Early and Periodic, Screening, Diagnosis, and Treatment (EPSDT) physical |
| Z3 | Modifier used after the procedure code when service is provided in an inpatient hospital setting |
| U4 | Modifier used to designate intellectual disability (e.g., ID testing) |

Service will be reimbursed on the basis of time. Enter the number of units in 24F, with one unit equal to the time as shown in the description for the procedure code. (If a charge is made for mileage, enter the number of miles in 24F.)

Payment for group therapy is based on the actual number of persons who comprise the group, but not less than six. For example, if eight persons comprise the group, payment will be based on this number. However, if the group consists of four persons, payment will nevertheless be based on six persons. The number of people in the group should be entered in 24C (description of service).



Iowa
Department
of Human
Services

Provider and Chapter

Psychology Services

Chapter III. Provider-Specific Policies

Page

8

Date

April 1, 2014

E. BILLING POLICIES AND CLAIM FORM INSTRUCTIONS

Claims for psychology providers are billed on federal form CMS-1500, *Health Insurance Claim Form*.

To view a sample of the CMS-1500, click [here](#).

To view billing instructions for the CMS-1500, click [here](#).

Refer to [Chapter IV. Billing Iowa Medicaid](#) for claim form instructions, all billing procedures, and a guide to reading the Iowa Medicaid Remittance Advice statement.

The Billing Manual can be located online at:

http://www.dhs.state.ia.us/policyanalysis/PolicyManualPages/Manual_Documents/Provman/all-iv.pdf.