Psychological and Counseling Evaluation and Treatment Services

REFERENCE: Division of Health Benefits – See Policy 10C (Local Education Agencies)

Evaluation in the following psychological/counseling areas are eligible for Medicaid cost recovery:

3.8 Psychological and Counseling Services

This service may consist of psychological testing, clinical observation and counseling services as appropriate for chronological or developmental age for one or more of the following areas of functioning:

a. Cognitive
b. Emotional and personality;
c. Adaptive behavior;
d. Behavior; and/or
e. Perceptual or visual motor.

For psychological/counseling services, the following provider types and licensing entities apply:

Provider:	Licensing Entity:
a. Licensed Psychologist (LP)	NC Psychology Board
b. Licensed Psychological Associate (LPA)	NC Psychology Board
c. Licensed Clinical Mental Health Counselor (LCMHC)	NC Board of Licensed Clinical Mental Health Counselors
d. Licensed Clinical Mental Health Counselor Associate (LCMHCA)	NC Board of Licensed Clinical Mental Health Counselors
e. Licensed Clinical Social Worker (LCSW)	NC Social Work Certification and Licensure Board
f. Licensed Clinical Social Worker Associate (LCSWA)	NC Social Work Certification and Licensure Board
g. School Psychologist (SP)	NC State Board of Education/Department of Public Instruction

Evaluation Services are defined in section 3.9.3 of Policy 10C:

3.9.3 Evaluation services

*Evaluation Services are the administration of an evaluation protocol, **involving testing and clinical observation** as appropriate for chronological or developmental age, which results in the generation of a written evaluation report. This protocol **can consist of interviews with parent(s), legal guardian(s), other family member(s), other service providers, and teachers to collect assessment data from inventories, surveys, and questionnaires**.*

Treatment Services are defined in section 3.11 of Policy 10C:

3.11 Treatment Services

a. Treatment services are the **medically necessary**:
   1. therapeutic PT, OT, ST, and audiology procedures, modalities, methods and interventions, that occur after the initial evaluation has been completed;
   2. Nursing services directly related to a written plan of care (POC) based on an order from a licensed MD, DPM, DO, PA, NP or CNM; and
   3. Psychological and counseling services.

b. Treatment services must address the observed needs of the beneficiary, must be performed by the qualified service provider, and must adhere to ALL the following requirements:

1. A verbal order or a signed and dated written order must be obtained for services prior to the start of services. All verbal orders must:
    A. contain the date and signature of the person receiving the order;
    B. be recorded in the beneficiary's record; and
    C. be countersigned by the physician within 60 calendar days.
2. All verbal orders are valid up to 12 calendar months from the documented date of **receipt**. All written orders are valid up to 12 calendar months from the date of the physician's signature;
3. Backdating is not allowed;
4. All services must be provided according to a treatment plan that meets the requirements in **Subsection 3.10**;
5. Service providers shall review and renew or revise treatment plans and goals no less often than every 12 calendar months;
6. For a Local Education Agency (LEA), the prior approval process is deemed met by the IEP, IFSP, IHP, BIP or 504 Plan processes. An LEA provider shall review, renew and revise the IEP, IFSP, IHP, BIP or 504 Plan annually along with and obtaining a dated physician order with signature. The IEP, IFSP, IHP, BIP or 504 Plan requirement of parent notification must occur at regular intervals throughout the year as stipulated by NC Department of Public Instruction. Such notification must detail how progress is sufficient to enable the child to achieve the IEP, IFSP, IHP, BIP or 504 Plan goals by the end of the school year; and
7. Faxed orders and faxed signatures are permissible and serve the same purposes for documentation as an original signature on an original form or order sheet. Electronic signatures and printed dates are acceptable. Providers using electronic signatures shall maintain policies regarding the use of electronic documentation addressing the security of records and the unique signature, sanctions against improper or unauthorized use, and reconstruction of records in the event of a system breakdown; and Stamped signatures are not permitted.

Limitations or Requirements are delineated in Section 5.2 of Policy 10C:

5.2 Limitations or Requirements

Each evaluation code can be billed only once in a six-month period unless there is a change in the beneficiary's medical condition. Medical necessity criteria outlined in Section 3.0 of this policy must be met. ***Except where permitted by covered Psychological and Counseling Services Assessment procedure codes***[1]*, evaluation services do not include interpretive conferences, educational placement or care planning meetings, mass or individual screenings aimed at selecting beneficiaries who may have special needs. Time spent for preparation, report writing, processing of claims, documentation regarding billing or service provision, and travel is not billable to Medicaid or to any other payment source, since it is a part of the evaluation process which was considered in the determination of the rate per unit of service. All treatment services shall be provided as outlined in an IEP, IFSP, IHP, BIP or 504 Plan. Occupational therapy and physical therapy services can be provided in a group setting with a maximum total number (that is both non-eligible and Medicaid-eligible beneficiaries) of three children per group. Speech-language services can be provided in a group setting with a maximum total number (that is both non-eligible and Medicaid eligible beneficiaries) of four children per group. Treatment services do not include* ***consultation activities, specific objectives involving English as a second language or a treatment plan primarily dealing with maintenance or monitoring activities. Time spent for preparation, processing of claims, documentation or service provision, and travel is not billable to Medicaid or to any other payment source, since it is a part of the treatment process which was considered in the determination of the rate per unit of service.***

[1] To determine where permitted by covered Psychological and Counseling Services Assessment procedure codes, providers are referred to APA's 2019 Psychological and Neuropsychological Testing CPT® Codes & Descriptions, accessible at https://www.apaservices.org/practice/reimbursement/health-codes/testing/codes-descriptions.pdf

See the LEA Fee Schedule, for current reimbursable rates associated with psychological and counseling services CPT Codes.

Relevant Resources:

CPT and Diagnostic Codes:
https://www.apaservices.org/practice/reimbursement/health-codes

Crosswalk for 2019 Psychological Testing and Evaluation CPT® Codes:
https://www.apaservices.org/practice/reimbursement/health-codes/testing/psychological-testing.pdf

Testing Codes FAQs 2019:
https://www.apaservices.org/practice/reimbursement/health-codes/testing-code-faq.pdf

Updated Guidance on Billing and Coding:
https://www.apaservices.org/practice/reimbursement/health-codes/testing/bill-multiple-days-providers

Up to code: Testing code changes are here:
https://www.apaservices.org/practice/reimbursement/health-codes/testing/changes