

Psychologists are told ominous letters are ‘just educational’

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Psychologists in many parts of the country who routinely bill for an hour psychotherapy session have been receiving letters from insurance companies that show their practice patterns are being carefully scrutinized, causing anxiety about future audits.

Alan Nessman, J.D., senior special counsel in the Legal and Regulatory Affairs Office of APA, downplayed the threat of audits from such letters sent by insurers such as Anthem, Highmark and Medical Mutual of Ohio. “These letters are just educational in nature,” he said in a May 8 APA- sponsored webinar.

Insurance companies have used a variety of efforts to limit providers’ use of CPT code 90837 because of its usually higher payment value. Code 90837 signifies the session being billed lasted 53 minutes or more. Insurers seek more use of Code 90834 which indicates a session of 38 to 52 minutes and is reimbursed at a lower rate.

A letter from the director of operations of Change Healthcare in Illinois dated March 10 to a psychologist who asked to remain anonymous read that Medical Mutual of Ohio has contracted with Change Healthcare to review claims between November 2015 and October 2016 for the purpose of identifying providers who are billing high level codes (i.e., psychotherapy code 90837) significantly more often than other providers.

The letter said the percentage of high level codes reported by that psychologist is greater than the expected billing distribution as determined by the average billing within the specialty of psychology.

“Change Healthcare will continue to monitor your billing practices.... If subsequent analysis reveals that the proportion of high level codes reported continues to exceed the expected distribution, Change Healthcare may contact your practice for the purpose of further validation and education.”

The letter ends by emphasizing the importance of complying with applicable documentation and reporting guidelines.

The APA Practice Organization (APAPO) newsletter dated June 15 said that the Pennsylvania Psychological Association and the APAPO staff contacted Highmark, which confirmed that similar letters to their providers were intended to be educational, not punitive.

Even if such ominous-sounding, Big-Brother-is-watching letters are meant to educate, a lot is going on in terms of audits, according to James Georgoulakis, Ph.D., J.D., independent consultant and former APA representative to the Relative Update Committee of the American Medical Association.

In an email correspondence dated April 16, he said GEMLO is a technology-based corporation that targets potential fraud prospectively. SAFEGUARD, another technology company, recently released results from two major audits that focused on the documentation for individual psychotherapy, complexity codes, assessment and group therapy that resulted in a 93 percent denial rate.

“Why? Providers did not adhere to the psychotherapy documentation requirements in the local coverage determination (LCD) posted on the companies’ websites,” he said.

Advice for use of CPT 90837

In the recent educational webinars about reimbursement, APA President Tony Puente, Ph.D., warned psychologists about routinely using codes with higher reimbursement rates. “The standard psychotherapy procedure historically and now is the 45-minute intervention,” he said.

He emphasized first the need for careful reading of the insurance company’s guidelines and then determining if the service fits the requirement for the code description. Nessman said start and stop times need to be routinely recorded.

When using the higher paying CPT code 90837, Puente said there must be documentation that emphasizes the unusual nature of the procedure, such as difficulty in communicating with the patient or the distance the patient must travel to the therapy office.

“Just because you think it is proper or that you think it meets the criteria for medical necessity, it may not be the case,” said Puente.

Nessman said APA has investigated complaints against Blue Cross in Pennsylvania and Utah because the companies were not paying differentially for psychotherapy based on time. He asked psychologists to let APAPO know if other companies are paying the same rate for CPT codes 90834 and 90837.

Puente said the cognitive work involved is significantly different according to Medicare and the payment for longer sessions should not be the same as briefer interventions.

