



Date of Approval:

3/24/2021

By:

Karyn L. Tribble, PsyD, LCSW, Director

**POLICY TITLE**

**Psychological Testing Requirements and Payment Authorization**

**Policy No: 200-1**

**Date of Original Approval:**

**Date(s) of Revision(s):**

**PURPOSE**

This policy describes the process for assuring that psychological testing is appropriately provided to clients when it is medically necessary or clinically indicated to evaluate a mental health condition, to establish or clarify a diagnosis and guide treatment. This policy also details ACBH's process for preventing fraud, waste, and abuse associated with psychological testing.

**AUTHORITY**

- 42 CFR, § 438.608(a)(1): Mental Health Plans (MHPs) must implement and maintain arrangements or procedures that are designed to detect and prevent fraud, waste, and abuse, including maintenance of a comprehensive compliance program.
- MHSUDS IN 17-040: MHPs are responsible for certifying that claims for all covered specialty mental health services (SMHS) meet federal and state requirements, including medical necessity. Pursuant to California's Medicaid State Plan, SMHS are provided, to Medi-Cal beneficiaries, based on medical necessity criteria, in accordance with an individualized client plan, approved, and authorized according to state requirements.

**SCOPE**

All ACBH county-operated programs in addition to entities, individuals and programs providing mental health services under a contract or subcontract with ACBH.

**POLICY**

Psychological testing and assessment are covered by the Mental Health Plan when performed as part of a medical or behavioral health evaluation, intended to address a specific clinical question that impacts clinical management of the client and meets our guidelines for medical necessity.

**DEFINITION**

**I. Psychological Testing**

- A. Psychological tests assess range of mental abilities and attributes, including achievement and ability, personality and neurological functioning. Psychological testing, including neuropsychological assessment, utilizes a set of standardized tests, whose reliability and validity have been established empirically. These tests

are used to provide a better understanding of an individual's psychological or cognitive functioning, assess personality factors, determine or clarify a diagnosis, and develop appropriate treatment planning. Psychological testing is recommended when other methods such as diagnostic screenings, psychiatric and medical history and treatment do not yield the sufficient information necessary to determine the most optimal treatment options for a client.

- B. Psychological testing/battery may be administered by a trained licensed psychologist, psychiatrist or doctoral interns (pre-doc and post-doc/waivered psychologist) under supervision of a licensed psychologist. Any work performed by an unlicensed staff (i.e., pre-doc, post-doc, waived psychologist) administering, scoring, interpreting, and writing reports based on the findings must be supervised and all notes and reports must be reviewed and co-signed by the licensed clinical psychologist.
- C. Psychological testing is distinguished from assessment inventories, tools, or scales (CANS/ANSA, Beck Depression Inventory, State-Trait Anxiety Inventory, etc.), as the purpose and training needed to use and interpret such assessment tools requires less training and has fewer scope of practice requirements.

## PROCEDURES

### I. Criteria For Administering Psychological Testing

- A. Only providers and organizations that are contracted to provide psychological testing may choose, administer, score, and interpret the results of psychological testing.
- B. Psychological Testing code 415-96101, Neuropsychological Testing code 417-96118 and Developmental Testing code 535-96111 are approved for licensed or waived Psychologists (by contract -- ACBH may allow practicum students for specific programs).
- C. Community Based Organizations, County Programs, or Level III individual Providers that do not provide psychological testing must refer any clients that are requesting psychological testing to ACCESS. Providers should not refer clients to other providers.
- D. If a client is monolingual or has Limited English Proficiency a bilingual psychologist who speaks the same language as the client or family should perform psychological testing using tests that are approved for use with the specific language speaking population. If a provider chooses to use a test(s) that are not designed to be used with non-English speakers they must justify their use in the client's medical record (i.e. there are no tests translated into the language, and they are the only ones that can be used) and the limits of results well-documented in the psychological testing report.

## II. Determining Medical Necessity For Psychological Testing

- A. Psychological testing is considered clinically indicated or medically necessary when the following guidelines are met:
1. **ONE** of these:
    - a) A current medical or behavioral health evaluation has been conducted and a specific diagnostic question still exists which cannot be answered through further conventional interviewing, history-taking, or adequate trial of treatment; or
    - b) A diagnostic formation and adequate trial of an evidence-based treatment has been attempted but has been unsuccessful or has not resulted in expected outcomes or progress.
  2. And **ALL** of these:
    - a) Reasonable effort has been made to obtain reports of relevant previous (within the last 2 years) psychological and neuropsychological assessment/testing, and results have been reviewed, and the previous reports do not answer the current referral or clinical question;
    - b) The selected tests/procedures are targeted to the identified referral question; and
    - c) The answer to the identified referral question will lead to specific recommendations and actionable steps that are likely to directly impact treatment and clinical management.
- B. In accordance with MHSUDS Information Notice No. 19-026, psychological testing is considered an assessment activity and is not subject to prior authorization requirements; however, because psychological testing is a restrictive service, all psychological testing must be performed only when medically necessary. Claims submitted for psychological testing and report writing will be monitored to detect and prevent fraud waste and abuse and for medical necessity. (42 CFR, § 438.608(a)(1), MHSUDS IN 17-040)

## III. Limitations

- A. If a client has recently received a Medi-Cal Specialty Mental Health Assessment from a mental health provider and the client is referred by ACCESS to another provider for psychological testing, the testing psychologist may use the Medi-Cal Specialty Mental Health Assessment that has already been completed to justify medical necessity for conducting testing. The provider conducting the testing is still responsible for assuring that the information in the Medi-Cal Specialty Mental Health Assessment is accurate.
- B. When a client requests psychological testing, but the provider determines that they do not meet medical necessity for such services, the client should be educated about the nature of psychological testing and offered mental health services for which they do meet medical necessity. If a client withdraws their request for psychological testing, the

provider does not need to complete a Notice Of Adverse Beneficiary Determination (NOABD). If a client does not withdraw their request for psychological testing the provider must submit a Notice of Action form within two days of the decision.

- C. Payment for specialty mental health services (including psychological testing) may be denied, often for the following reasons:
1. General assessments unrelated to mental health treatment
  2. Treating disorders not covered by Specialty Mental Health Services
    - a. Learning disabilities
    - b. Intellectual Disability or "Intellectual Developmental Disorder"
    - c. Pre-adoption studies
    - d. General intelligence testing
  3. The testing is being conducted primarily to make or confirm a diagnosis of Attention Deficit Hyperactivity Disorder (ADHD) that can reasonably be made or confirmed via conventional interviewing, history, and collateral contact/data collection.
  4. Court-ordered testing
  5. Ruling out dementias or other neurologically-based "disorders" prior to an evaluation by an appropriate medical specialist
  6. Determining if psychotropic medication is warranted. Psychological testing shall not be performed solely to make decisions as to whether the client is to be on medication
  7. Medical Necessity is not documented in the clinical record to support the service or claim. Providers may consult with a psychologist at Alameda County's ACCESS or Quality Assurance Office prior to administering psychological testing if there are questions about testing or medical necessity
- D. Psychological testing is not to be performed during a crisis, as any results will not be reflective of the client's base-line functioning.
- E. The time requested or claimed for the testing significantly exceeds the time that has been indicated by the publisher or in the scientific literature, and the clinical information submitted does not support a need for the amount of time claimed (including ancillary time allowed under the procedure code, if any).
- F. Psychological or Neuropsychological testing was not administered by someone without the training or scope of practice to do so.

#### **IV. ACBH Review of Psychological Testing for Medical Necessity (Post-Test Completion)**

ACBH reserves the right to review, approve or deny claims submitted for psychological testing. Please refer to Alameda County's Clinical Documentation Manual for guidance on claiming for psychological testing and writing a progress note to substantiate any claim. The content of final Psychological testing report will also substantiate any claim and be present in the client's medical record.

#### **Psychological Testing Report**

- A. Psychological testing reports must:
  - 1. Follow American Psychological Association (APA) guidelines;
  - 2. Be clinically adequate; and
  - 3. Be placed in the client's clinical record.
  
- B. In the highly unusual circumstance that the Psychologist is unable to complete the Psychological Testing with the client, they must document what information was obtained and explain why the testing could not be completed and what determinations were made. Payment for psychological testing will not be allowed unless there is significant documentation indicating what was done and what limited conclusions were reached.

**NON-COMPLIANCE**

Non-compliance with this or other compliance program policies, including billing, coding and documentation standards for psychological testing may result in disallowances, up to and including suspension of privileges. Staff/Providers can notify their immediate supervisor within their agency if they suspect that any services provided and claimed were not reasonable or medically necessary or performed in violation of this or other ACBH policies and procedures. Staff/Providers, Agency Supervisors, and Agency Representatives, may consult with the Quality Assurance Office Technical Assistance staff ([QATA@acgov.org](mailto:QATA@acgov.org)) to seek clarification or guidance when determining if psychological testing services are or were medically necessary.

Staff/Providers who suspect improper activities and wish to report noncompliance or unethical conduct, and, are uncomfortable discussing concerns within normal organization structures, may report the violation to the Alameda County Behavioral Health Fraud, Waste and Abuse Hotline (844) 729-7055. The call to the Hotline may be made confidentially and anonymously without fear of reprisal.

**CONTACT**

<b>ACBH Office</b>	<b>Current as of</b>	<b>Email</b>
Quality Assurance Technical Assistance	4/2/20	<a href="mailto:QATA@acgov.org">QATA@acgov.org</a>

**DISTRIBUTION**

This policy will be distributed to the following:

- ACBH Staff
- ACBH County and Contract Providers
- Public

<i>Policy &amp; Procedure: Psychological Testing Requirements and Payment Authorization</i>	# 200-1
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**ISSUANCE AND REVISION HISTORY**

**Original Authors:** Jeffery Sammis, Psy.D, QA Clinical Review Specialist Supervisor

**Original Date of Approval:** 03/24/21

**Date of Revision:**

<b>Revise Author</b>	<b>Reason for Revise</b>	<b>Date of Approval by (Name)</b>

**DEFINITIONS**

<b>Term</b>	<b>Definition</b>
<b>ACCESS</b>	The Acute Crisis Care and Evaluation for Systemwide Services (ACCESS) Program is the system wide point of contact for information, screening and referrals for mental health and substance use services and treatment for Alameda County residents.