# MEDICARE COVERAGE SUMMARY: PSYCHOLOGICAL AND NEUROPSYCHOLOGICAL TESTING

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## INTRODUCTION

*Medicare Coverage Summaries* synopsize guidance provided in CMS’ *National Coverage Determinations* (NCDs) and *Local Coverage Determinations* (LCDs), and are used to make medical necessity determinations for Medicare behavioral health benefits managed by Optum and U.S. Behavioral Health Plan, California (doing business as OptumHealth Behavioral Solutions of California (“Optum-CA”)).

In the event that CMS does not provide a NCD or a LCD for a particular State, jurisdiction, condition or service, Optum’s *Level of Care Guidelines* should be used for medical necessity decisions along with the member’s benefit plan.

**Before using this guideline, please check the member’s specific benefit plan requirements and any federal or state mandates, if applicable.**

## PSYCHOLOGICAL AND NEUROPSYCHOLOGICAL TESTING

The following describes Medicare covered psychological and neuropsychological testing according to existing Local Coverage Determinations (LCDs).

- Psychological testing is used to address a variety of questions about an individual’s functioning, diagnostic classification, comorbidity, and choice of treatment approach. Psychological testing includes the administration, interpretation and scoring of a chosen instrument used to evaluate the member’s intellectual strengths, psychopathology, psychodynamics, mental health risk factors, insight, motivation, and other factors influencing the member’s treatment or prognosis (Centers for Medicare and Medicaid Services, Local Coverage Determinations, Psychological and Neuropsychological Testing (CMS Psychological Testing, LCDs), 2017).

- Neuropsychological testing is used to measure brain functioning in a particular cognitive domain when there are known or suspected neurocognitive effects and testing is needed to delineate the member’s diagnosis, treatment plan, prognosis, or quality of life. Neuropsychological tests are administered in the context of a comprehensive assessment that synthesizes data from a clinical interview, record review, medical history, and behavioral observations (CMS Psychological Testing LCDs, 2017).
APPLICABLE STATES

Coverage is only applicable in the following States/jurisdictions at the time this guideline was written (CMS Psychological Testing LCDs, 2017). If services are not provided in one of the following states, please apply the Optum Level of Care Guidelines:

- Alabama
- Alaska
- Arizona
- Arkansas
- Connecticut
- Florida
- Georgia
- Idaho
- Illinois
- Iowa
- Indiana
- Kansas
- Kentucky
- Louisiana
- Maine
- Massachusetts
- Michigan
- Minnesota
- Mississippi
- Missouri
- Montana
- Nebraska
- New Hampshire
- New Jersey
- North Carolina
- North Dakota
- Ohio
- Oregon
- Puerto Rico
- Rhode Island
- South Carolina
- South Dakota
- Tennessee
- Utah
- Vermont
- Virginia
- Virgin Islands
- Washington
- West Virginia
- Wisconsin
- Wyoming

There are currently no NCDs or LCDs for Psychological and Neuropsychological Testing that describe coverage or non-coverage for the following States/regions. Please apply the Optum Level of Care Guidelines when making medical necessity decisions for members in these States/regions:

- California
- Colorado
- Delaware
- Hawaii
- Maryland
- New Mexico
- New York
- Nevada
- Oklahoma
- Pennsylvania
- Texas
Psychological and Neuropsychological Testing Criteria

Benefits include the following services:

- Diagnostic evaluation and assessment
- Treatment planning
- Referral services
- Medication management
- Psychotherapy
- Crisis intervention
- Behavioral Health care services or supplies are provided when needed to prevent, diagnose, or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine (CMS Benefit Policy Manual, Section 20).

Limitations and Exclusions

The requested service or procedure for the treatment of a mental health condition must be reviewed against the language in the enrollee's Evidence of Coverage/Summary of Benefits. When the requested service or procedure is limited or excluded from the enrollee's EOC, or is otherwise defined differently, it is the terms of the enrollee's EOC/SB that prevails.

Additional Information

The lack of a specific exclusion for coverage for a service does not imply that the service is covered.

No payment can be made for certain items and services, when the following conditions exist (CMS Benefit Policy Manual, 2017):

- Not reasonable and necessary: Items and services which are not reasonable and necessary for the diagnosis or treatment of illness or injury or to improve functioning are not covered.
- Custodial care: Personal care that does not require the continuing attention of trained medical or paramedical personnel. In determining whether a person is receiving custodial care, the intermediary or carrier considers the level of care and medical supervision required and furnished. It does not base the decision on diagnosis, type of condition, degree of functional limitation, or rehabilitation potential.
- Excluded Investigational Devices or Procedures: These items and procedures include any procedure, study, test, drug, equipment or facility still undergoing study and which is generally not accepted as standard therapy in the medical community where alternative therapy exists.

Psychological and Neuropsychological testing is not considered reasonable and necessary the following circumstances:

- The member is not neurologically and cognitively able to participate in a meaningful way in the testing process.
- Screening tests
- Tests administered for educational or vocational purposes.
- Neuropsychological testing performed when abnormalities of brain function are not suspected.
- Self-administered or self-scored inventories, or screening tests of cognitive function (whether paper-and-pencil or computerized), e.g., AIMS, Folstein Mini-Mental Status Examination.
- Repeat testing when not required for medical decision-making (i.e., making a diagnosis or deciding whether to start or continue a particular rehabilitative or pharmacologic therapy).
- Tests administered when the member has a substance abuse background and any of the following apply:
  - the member has ongoing substance abuse such that test results would be inaccurate, or
  - the member is currently intoxicated
- The member has been diagnosed previously with brain dysfunction, such as Alzheimer’s and there is no expectation that the testing would impact medical management.
- Tests given as a screening test for Alzheimer’s.
- Non-specific behaviors that do not indicate the presence of, or change in a mental illness.
- Psychological or psychiatric evaluations that can be accomplished through the clinical interview alone.
- Testing when no mental illness/disability is suspected.
- Psychological/Neuropsychological testing conducted as part of routine intake procedures without a clinical basis for testing.

Psychological and Neuropsychological Testing is considered reasonable and necessary when (CMS LCDs, 2017):

- Prior to testing, a clinical evaluation has been completed by a behavioral health or medical professional which raised specific clinical questions that could not be resolved without a referral for testing.

AND
• Testing is needed to assist with differential diagnosis and/or treatment planning following a clinical evaluation that was unable to clearly establish the diagnosis and/or determine the course of treatment.

AND

• Testing is conducted by a clinically trained examiner such as a Clinical Psychologist, that is licensed or certified to administer, score and interpret Psychological or Neuropsychological tests in the state or jurisdiction where testing will be administered.

AND

• The type of testing as well as each individual test chosen within a standard battery is reasonable and necessary to answer the specific referral question(s).

Psychological Testing (CPT codes 96101, 96102, 96103, 96105, 96111)

The following are examples of when Psychological Testing may be considered reasonable and necessary (CMS LCDs, 2017):

- There is a need to further assess mental functioning for members with suspected or known mental disorders for the purpose of differential diagnosis and treatment planning.
- There is a need to further assess the member’s strengths and disabilities related to their mental health diagnosis for the purpose of treatment planning and management.
- There is a need to further assess the member’s capacity for decision-making when impairment is suspected that could impact treatment planning and management.
- After an initial psychological screening, there is a need to further assess the member’s functioning prior to a surgical pain management intervention (e.g., implantable neurostimulator).
- There is a need to further assess functioning in a member with chronic pain with suspected somatization disorder.
- There is a need to confirm the diagnosis, treatment planning and/or management following a standard clinical evaluation when a mental illness or psychological abnormality is suspected.
- Due to significant changes in the member’s condition, there is a need to confirm or change the diagnosis and the treatment plan.

Neuropsychological Testing (CPT codes 96116, 96118, 96119 and 96120)

The following are examples of when Neuropsychological Testing may be considered reasonable and necessary:

- When there are mild or questionable deficits on a standard mental status examination or clinical interview, and a neuropsychological assessment is needed to establish the presence of abnormalities or distinguish them from changes that may occur with normal aging, or the expected progression of other disease processes.
- When neuropsychological data can be combined with clinical, laboratory, and neuroimaging data to assist in establishing a neurological diagnosis.
- When there is a need to quantify cognitive or behavioral deficits related to central nervous system impairment, especially when the information is needed to determine prognosis, treatment planning, or the rate of disease progression.
- When there is a need for a pre-surgical or pre-treatment cognitive evaluation to determine the safety of the procedure that may affect brain function (e.g., deep brain stimulation, resection of brain tumors or arteriovenous malformations, epilepsy surgery, stem cell transplant) or significantly alter a patient’s functional status.
- When there is a need to assess the potential impact of adverse effects of therapeutic substances that may cause cognitive impairment (e.g., radiation, chemotherapy, antiepileptic medications) needed to inform treatment planning.
- When there is a need to monitor the progression, recovery, and response of members with central nervous system disorders in order to establish the most effective plan of care.
- When there is a need for objective measurement of the member’s subjective complaints about memory, attention, or other cognitive dysfunction and will differentiate psychogenic from neurogenic syndromes (e.g., dementia vs. depression).
- When there is a need to determine whether a member can comprehend and participate in complex treatment regimens and decision-making (e.g., surgeries to modify facial appearance, hearing, or tongue debulking in craniofacial or Down syndrome patients; transplant or bariatric surgeries in patients with diminished capacity).
- When there is a need to design, administer, and/or monitor outcomes of cognitive rehabilitation procedures, such as compensatory memory training for brain-injured patients.
- When there is a need to establish treatment planning through identification and assessment of the neurocognitive sequelae of systemic disease (e.g., hepatic encephalopathy; anoxic/hypoxic injury associated with cardiac procedures).
- When there is a need to further assess neurocognitive functioning for the formulation of rehabilitation and/or management strategies among individuals with neuropsychiatric disorders.
- Services are medically necessary.
Diagnostic Evaluation and Psychological and Neuropsychological Testing Criteria

Evaluation

- The testing provider reviews the medical records and referral question, and determines whether an evaluation is appropriate.
- The face-to-face evaluation begins with a psychological or neurobehavioral status exam conducted by the testing provider. For Neuropsychological testing:
  - A neurobehavioral status exam is completed prior to the administration of Neuropsychological testing. The status exam involves clinical assessment of the patient, collateral interviews as appropriate, and review of prior records.
  - The interview includes clinical assessment of several domains including but not limited to; thinking, reasoning and judgment, acquired knowledge, attention, language, memory, planning and problem solving and visual spatial abilities.
  - A neurobehavioral status examination, in the absence of neuropsychological testing, is insufficient to diagnose mild cognitive impairment.

Test Selection

- The evaluation determines the types of tests and how those tests should be administered.
- Information from medical records, clinical interviews, and behavioral observations are integrated to guide the selection of specific tests.
- The selection of tests is a strategic process that varies as a function of patient characteristics (e.g., level of education, premorbid level of functioning, sensory abilities, physical limitations, fatigue level, age, and ethnicity) and the goals of the evaluation (e.g., establishing a diagnosis, measuring treatment effects, etc.).
- Each individual test within a standard battery must be reasonable and necessary.

Test Administration

- Typically Psychological and Neuropsychological testing requires 4-6 hours to perform including administration, scoring, and interpretation. If the testing is done over several days, the testing time should be combined and reported all on the last day of service. If testing time exceeds 8 hours, medical necessity for the extended testing should be documented in the medical record.
- Neuropsychological tests include direct question-and-answer, object manipulation, inspection and responses to pictures or patterns, paper-and-pencil written or multiple choice tests, which measure functional impairment and abilities in:
  - General intellect
  - Reasoning, sequencing, problem-solving, and executive function
  - Attention and concentration
  - Learning and memory
  - Language and communication
  - Visual-spatial cognition and visual-motor praxis
  - Motor and sensory function
  - Mood, conduct, personality, quality of life
  - Adaptive behavior (Activities of Daily Living)
  - Social-emotional awareness and responsivity
  - Psychopathology (e.g., psychotic thinking or somatization)
  - Motivation and effort (e.g., symptom validity testing)

Feedback Session

- A post-evaluation feedback session with the member and family members as indicated is a customary part of the testing process. The feedback session emphasizes the following:
  - Discussion of the relationship between test results and information about diagnosis and prognosis.
  - Explanation of treatment recommendations including recommendations directly managed by the patient’s medical provider (e.g. changes in medication or treatment).
  - Members are provided with evidence-based treatment recommendations, tailored behavioral strategies to maximize functioning, referrals to other specialty providers (e.g. psychiatry, rehabilitative therapists), recommendations for nonpharmacological interventions, and community resources.
  - Communication of results to family members in order to enhance treatment outcome for the member.

Documentation

- The medical record should indicate:
  - Reason for the referral
  - Tests administered, scoring/interpretation, and time involved
Present evaluation

Diagnosis (or suspected diagnosis that was the basis for the testing).

REFERENCES


HISTORY/REVISION INFORMATION

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<td>Version 3</td>
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1 The term “medically necessary” refers to health care services or supplies needed to diagnose or treat an illness, injury, condition, disease, or its symptoms and that meet accepted standards of medicine.