



**CMS Local Coverage Determination (LCD) of Psychiatry and Psychology Services for Massachusetts, New York, and Rhode Island**

[L33632](#)

**Outpatient Services**

**Coverage Indications and Limitations**

Hospital outpatient psychiatry services must be 1) *incident to a physician's service*, and 2) *reasonable and necessary for the diagnosis or treatment of the patient's condition* (CMS Publication 100-02, *Medicare Benefit Policy Manual*, Chapter 6, Section 70.1). This means that services must be for the purpose of diagnostic study or the services must reasonably be expected to improve the patient's condition. "Incident to" provisions do not apply to professional services performed by nurse practitioners (NPs) clinical nurse specialists (CNSs), clinical psychologists (CPs) or clinical social workers (CSWs). Physician assistants (PAs) are required to perform services under the general supervision of a physician. (See 42 CFR 410.71-76.) Psychiatric services provided incident to a physician's service must be rendered by individuals licensed or otherwise authorized by the State and qualified by their training to perform these services.

For specific codes and usages specific to Medicare, see program requirements <https://www.cms.gov/medicare-coverage/database/details/lcd-details.aspx?LCDId=33632#6>

Admission Criteria	Continued Stay Criteria	Discharge Criteria
<p><b>All of the following must be met:</b></p> <ol style="list-style-type: none"> <li>1) Patient must require treatment for mental illness and behavioral disturbances</li> <li>2) Services must be for the purpose of diagnostic study and reasonably be expected to improve the patient's condition.</li> </ol>	<p><b>All of the following must be met:</b></p> <ol style="list-style-type: none"> <li>1. Member continues to meet all admission criteria</li> <li>2. Treatment is designed to reduce or control the patient's psychiatric symptoms so as to prevent relapse or hospitalization</li> </ol>	<p><b>Any of the following must be met:</b></p> <ol style="list-style-type: none"> <li>1. Patient no longer meets admission criteria and/or meets criteria for another LOC, either more or less intensive</li> <li>2. Patient is unable or unwilling to participate in treatment</li> </ol>

<p>3) Patient's disorder must interfere with level of functioning.</p> <p>4) There must be reasonable expectation of improvement in the member's disorder and level of functioning</p> <p><b>Exclusions:</b> <i>Any of the following criteria are sufficient for exclusion from this level of care:</i></p> <ol style="list-style-type: none"> <li>1) Severe and profound intellectual disabilities</li> <li>2) Patients with moderate to severe dementia</li> <li>3) The following services do not represent reasonable and necessary outpatient psychiatric services and/or coverage is excluded under section 1862(a)(1)(A) of the Social Security Act:             <ol style="list-style-type: none"> <li>a. day care programs which provide primarily social, recreational, or diversional activities, custodial or respite care</li> <li>b. programs attempting to enhance emotional wellness, e.g., day care programs</li> </ol> </li> </ol>	<ol style="list-style-type: none"> <li>3. Discontinuing treatment may cause further deterioration, relapse of symptoms, or require hospitalization.</li> <li>4. Frequency and intensity of services match the patient's symptomatology and is within acceptable norms of medical practice.</li> <li>5. There is a reasonable expectation of improvement in the patient's disorder and level of functioning as a result of treatment being provided</li> </ol>	<ol style="list-style-type: none"> <li>3. Patient or legal guardian has withdrawn consent for treatment</li> <li>4. Patient has reached a point in treatment where further improvement does not appear indicated.</li> <li>5. Patient's individual treatment plan and goals have been met.</li> </ol>
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<ul style="list-style-type: none"> <li>c. services to a skilled nursing facility resident that should be expected to be provided by the nursing facility staff</li> <li>d. vocational training when services are related solely to specific employment opportunities, work skills, or work settings</li> <li>e. biofeedback training for psychosomatic conditions</li> <li>f. recovery meetings such as Alcoholics Anonymous, 12 Step, Al Anon, Narcotics Anonymous, due to their free availability in the community</li> <li>g. telephone calls to patients, collateral resources and agencies</li> <li>h. evaluation of records, reports, tests, and other data</li> <li>i. explanation of results to family, employers, or others</li> <li>j. preparation of reports for agencies, courts, schools, or insurance companies, etc. for medicolegal or informational purposes</li> <li>k. screening procedures provided routinely to patients without regard to the signs and</li> </ul>		
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<p style="text-align: center;">symptoms of the patient's mental illness</p> <p>4) The following services are excluded from the scope of outpatient hospital psychiatric services defined in Section 1927(k) of the Social Security Act:</p> <ol style="list-style-type: none"> <li>a. services to hospital inpatients</li> <li>b. meals, transportation;</li> <li>c. supervision or administration of self-administered medications and supplying medications for home use.</li> </ol>		
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<b>Additional Administrative Criteria for Medicare Coverage of Partial Hospitalization</b>
<ul style="list-style-type: none"> <li>• Documentation must include amount of time spent with the patient</li> <li>• Medical record must contain documentation that fully supports medical necessity</li> <li>• The plan of treatment, progress notes, and condition of the patient should justify the intensity of the services rendered.</li> <li>• There should be documentation of the patient's capacity to participate in and benefit from treatment.</li> <li>• The medical record should document the target symptoms, goals of therapy, and methods of monitoring outcomes.</li> <li>• Any diagnostic or psychotherapeutic procedure rendered by a practitioner not practicing within the scope of his/her licensure or other State authorization will be denied.</li> </ul>



### **Electroconvulsive Therapy (ECT) Coverage Indications and Limitations**

Electroconvulsive Therapy (ECT) is described as the application of electric current to the brain, through scalp electrodes to produce a seizure. It is used primarily to treatment major depressive disorder when antidepressant medication is contraindicated and for certain other clinical conditions.

### **Psychological Testing Coverage Indications and Limitations**

Psychological testing include the administration, interpretation, and scoring of tests for evaluation of intellectual strengths, psychopathology, psychodynamics, mental health risks, psychopathology, psychodynamics, mental health risks, insight, motivation, and other factors including treatment and prognosis. Typically, psychological testing will take 4-6 hours to perform, including administration, scoring, and interpretation. Testing may be done over several days, but should not exceed 8 hours.

<b>Admission Criteria</b>
<b>All of the following must be met:</b>  1) Patient have a mental illness in which psychological testing is indicated as an aid in diagnosis and therapeutic planning, including a change in mental status  2) Psychological or psychiatric evaluations that cannot be accomplished through clinical interview alone (e.g., response to medication)

### **Neuropsychological Testing**

#### **Coverage Indications and Limitations**



Neuropsychological testing is intended to diagnose and characterize the neurocognitive effects of medical disorders that impinge directly or indirectly on the brain.

Neuropsychological testing consists primarily of individually administered ability tests that comprehensively sample cognitive and performance domains that are known to be sensitive to the functional integrity of the brain (e.g., abstraction, memory and learning, attention, language, problem solving, sensorimotor functions, constructional praxis, etc). These procedures are objective and quantitative in nature and require the patient to directly demonstrate his/her level of competence in a particular cognitive domain. Neuropsychological testing does not rely on self-report questionnaires, rating scales, or projective techniques.

<b>Admission Criteria</b>
<p><b>All of the following must be met:</b></p> <ol style="list-style-type: none"><li>1) Detection of neurologic diseases based on quantitative assessment of neurocognitive abilities (e.g., mild head injury, anoxic injuries, AIDS dementia)</li><li>2) Differential diagnosis between psychogenic and neurogenic syndromes</li><li>3) Delineation of the neurocognitive effects of central nervous system disorders</li><li>4) Neurocognitive monitoring of recovery or progression of central nervous system disorders; or</li><li>5) Assessment of neurocognitive functions for the formulation of rehabilitation and/or management strategies among individuals with neuropsychiatric disorders</li></ol>

