



TEXAS HEALTH AND HUMAN SERVICES COMMISSION

CHRIS TRAYLOR
EXECUTIVE COMMISSIONER

Memorandum

To: Managed Care Organizations
Program Management
Operations Coordination
Utilization Management and Review

From: Emily Zalkovsky
Director, Program Management
Medicaid/CHIP Division

Subject: Psychological Testing for Community First Choice Eligibility in STAR+PLUS

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This memorandum applies to the STAR+PLUS Program.

This memorandum is being issued to advise managed care organizations (MCOs) of their responsibility to reimburse for medically necessary psychological testing for members with an intellectual disability. This testing is sometimes necessary when members are assessed to determine if they meet the level of care for an Intermediate Care Facility for Individuals with an Intellectual Disability or Related Condition (ICF/IID) requirements for Community First Choice (CFC) services. In the context of CFC, testing to determine level of care for ICF/IID constitutes medical necessity.

Psychological testing (Procedure Code 96101), in the context of CFC, consists of measuring cognitive functioning or intelligence, and is performed by a psychiatrist, licensed psychologist, licensed psychological associate, or provisionally licensed psychologist. Psychological Testing is often needed as a part of the determination of intellectual disability (DID). A DID is required along with the Intellectual Disability or Related Condition (ID/RC) assessment to determine whether a member meets an ICF/IID level of care.

Psychological testing is an outpatient behavioral health service in Texas Medicaid, available to members of any age. The service is limited to four hours per day (for providers), and eight hours per member, per calendar year. Provider reimbursement includes both the time spent during

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face-to-face testing with the member, and the time spent scoring and interpreting the results. Additional testing hours may be considered as an exception on a case-by-case basis when supported by medical necessity, outlined in the Behavioral Health, Rehabilitation, And Case Management Services Handbook, Section 6.11.1 of the Texas Medicaid Provider Procedures Manual.

HHSC requires MCOs to reimburse network participating physicians, psychologists, and other qualified providers for psychological testing for the purpose of determining whether a member has an intellectual disability. MCOs must also reimburse Local Mental Health Authorities (LMHAs) or Local Intellectual or Development Disability Authorities (LIDDAs) when the LMHA or LIDDA is conducting the psychological testing. The LMHA or LIDDA must be a participating provider with the MCO to receive reimbursement. MCOs may require prior authorization for psychological testing but should ensure this requirement does not extend the agreed-upon time frames for referral and assessment for CFC. LIDDAs conducting psychological testing for a STAR+PLUS member not eligible for Medicare should refer to the provider handbook of the member's MCO for the MCO's procedures for authorization and reimbursement. The LIDDA should include "CFC DID" in the notes section of the authorization form so the MCO can route the authorization to the correct department for review. If the MCO denies a LIDDA's claim for reimbursement for psychological testing, the LIDDA may appeal the denial and include "CFC DID" in the appeal.

Psychological testing (Procedure Code 96101) performed by a psychiatrist or licensed psychologist for the assessment of mental functioning for the purpose of differential diagnosis and/or treatment planning is a Medicare covered benefit. If a member is dual eligible, the LIDDA should seek reimbursement from Medicare. If the claim is denied in whole or in part by Medicare, the LIDDA may submit the required information to the [Texas Medicaid & Healthcare Partnership](#) for reimbursement as a Medicaid wraparound service. LIDDAs serving members enrolled in the Dual Demonstration should seek authorization and reimbursement from the member's Medicare-Medicaid Plan. The LIDDA should include "CFC DID" in the notes section of the authorization form so the MCO can route the authorization to the correct department for review.

If you have any questions regarding this memorandum, you may contact Chris Welch at 512-428-1946 or at chris.welch@hhsc.state.tx.us.