

Comments Due: 06/18/2015 (send comments to: AHS.DVHAReimbursement@state.vt.us)

Proposed Effective Date: 07/01/2015

Policy Subject:

CPT 90853 – Group psychotherapy (other than of a multiple-family group)

Purpose:

To update the group psychotherapy code to be in compliance with national correct coding initiative (NCCI) guidelines and to restore reimbursement consistent with the payment rules and policies of the resource based relative value system (RBRVS) that governs all of Medicaid's professional services.

Policy Summary:

Coding Compliance

Coding compliance in healthcare refers to the practice of following defined national standards in transactions and code sets and is governed by federal regulations from the Office of the Inspector General (OIG), the Health Insurance Portability and Accountability Act (HIPAA), and the Centers for Medicare and Medicaid Services (CMS)¹. One important standard that applies to both Medicaid and those providers enrolled in the program are that they conform to code set standards; examples of standards that must be followed include adhering to code definitions and other attributes like the unit concepts.

The official current procedural terminology (CPT) definition of group psychotherapy (90853) is "Group psychotherapy (other than of a multiple-family group)²". The applicable "unit concept"

¹ (n.d.). Retrieved April 30, 2015, from Medicaid.gov: <http://www.medicaid.gov/federal-policy-guidance/federal-policy-guidance.html>

² AMA. (2015). In *Current Procedural Terminology* (p. 559). Chicago, IL: American Medical Association.



associated with this CPT code is “one session”. However, under current Vermont Medicaid practice, the unit concept of CPT 90853 is “per fifteen minutes”. Vermont Medicaid and billing providers are incorrectly using the definition of CPT 90853 and therefore, are out of compliance with these standards.

To ensure Vermont Medicaid and enrolled providers are in compliance with these regulations, effective July 1, 2015, Medicaid will require all providers to bill group psychotherapy (90853) as per session as opposed to per fifteen minutes.

As part of the federal regulations related to coding compliance, Vermont Medicaid is required to follow the National Correct Coding Initiative (NCCI). The NCCI, “promotes national correct coding methodologies and reduces improper coding which may result in inappropriate payments of Medicare Part B claims and Medicaid claims³”. A medically unnecessary edit (MUE) of one session per day was issued on July 1, 2013 and Vermont Medicaid is required to adopt this standard.

To ensure Vermont Medicaid and enrolled providers are in compliance with these regulations, effective July 1, 2015, Medicaid will implement a MUE of one session per day for group psychotherapy (90853).

Payment System Policy Compliance

The approved Vermont state Medicaid plan for reimbursement of professional services specifies that reimbursement of professional services to be based on the resource based relative value system (RBRVS). The system uses relative value units (RVUs) issued annually from CMS and multiplies them by a single Medicaid-specific Conversion Factor to derive a rate for an individual service ($RVU * CF = RATE$).

RVUs are set based on a mathematical formula that uses data to derive relative valuation of each individual healthcare service. The formula uses utilization, physician effort, direct and indirect cost data to derive rates. The process is transparent and governed by federal proposed and final rule making.

The Medicaid conversion factor is derived based on the amount of legislatively allocated, aggregate dollars available to reimburse for professional services. Current Vermont Medicaid

³ Medicaid.gov. *The National Correct Coding Initiative in Medicaid*. Retrieved April 30, 2015, from Medicaid.gov: <http://www.medicare.gov/Medicare-CHIP-Program-Information/By-Topics/Data-and-Systems/National-Correct-Coding-Initiative.html>



reimbursement for group psychotherapy (90853) is based on a value two times what would be calculated under the RBRVS system.

To go along with the correction of the unit concept, Vermont Medicaid is also proposing to update the rate for 90853 to coincide with the “per session” unit concept as well as restore using the appropriate mathematical formula to value group psychotherapy.

We propose phasing the rate changes in two steps:

- **7/1/2015** – Update unit concept, where one unit = one session. Update rate so one session would equal out to one hour of time (what was 4 units before will equal 1 unit now). $\$10.25 \times 4 = \mathbf{\$41.00 \text{ rate}}$.
- **1/1/2016** – Update to current RBRVS methodology. **\$20.50 rate**. (This is approximate based on 1/1/2015 policies; actual rate may be slightly different as RVUs are updated annually).

Impact:

Impact of changes effective 7/1/2015					
Current Rate per unit (max units 8 per day)	Current Allowed Amount	Total sessions	New Reimbursement per unit (session)	New Allowed Amount	Provider impact
\$10.25	\$908,365	19,287	\$41.00	\$790,767	(\$117,598)

6 months of data, run from 7/1/2014 - 12/31/2014

Impact of change effective 1/1/2016					
Current Rate per unit (max units 8 per day)	Current Allowed Amount	Total sessions	New Reimbursement per unit (session)	New Allowed Amount	Provider impact
\$10.25	\$1,872,071	40,025	\$20.50	\$820,513	(\$1,051,558)

1 year of data, run from 1/1/2014 - 12/31/2014

