Medical Policy

Healthcare Services Department

Policy Name	Policy Number	Scope
Neuropsychological Tests	MP-EM-FP-03-23	☒ MMM MA ☒ MMM Multihealth

Service Category

☐ Anesthesia
☐ Surgery
☐ Radiology Procedures
☐ Pathology and Laboratory Procedures
☐ Medicine Services and Procedures
☒ Evaluation and Management Services
☐ DME/Prosthetics or Supplies
☐ Other _____

Service Description

Neuropsychological tests provide measurements of brain function that are objective, valid, and reliable. Neuropsychological tests are quantifiable in nature and require patients to directly demonstrate their level of cognitive competence in a particular cognitive domain. Neuropsychological tests are administered in the context of a comprehensive assessment that synthesizes data from clinical interview, record review, medical history, and behavioral observations. Information from neuropsychological assessments directly impacts medical management of patients by providing information about diagnosis, prognosis, and treatment of disorders that are known to impact central nervous system (CNS) functioning. In addition, neuropsychological assessments predict functional abilities across a variety of disorders.

Indications for neuropsychological assessments include a history of medical or neurological disorder compromising cognitive or behavioral functioning; congenital, genetic, or metabolic disorders known to be associated with impairments in cognitive or brain development; reported impairments in cognitive functioning; and evaluations of cognitive function as a part of the standard of care for treatment selection and treatment outcome evaluations (e.g., deep brain stimulators, epilepsy surgery). Neuropsychological assessments are not limited in relevance to patients with evidence of structural brain damage and are frequently necessary to document impairments in patients with probable neuropsychological and neurobehavioral disorders and are the tool of choice whenever objective documentation of subjective cognitive complaints and symptom validity testing are indicated. In children and adolescents, a significant inability to develop expected knowledge, skills or abilities as required to adapt to new or changing cognitive, social, emotional, or physical demands warrants a neuropsychological evaluation.

Neuropsychological testing is not supported or excluded from medical necessity based on diagnosis alone. Rather, indications for testing are based on whether there is known or suspected neurocognitive involvement or effects, or where neuropsychological testing will impact the management of the patient by confirmation or delineation of diagnosis, or otherwise providing substantive information regarding diagnosis, treatment planning, prognosis, or quality of life.

Neuropsychological testing may be indicated in persons with epilepsy. Neuropsychological testing is used in these patients to monitor the efficacy and possible cognitive side effects of drug therapy (e.g., new anti-convulsant drug therapy) by comparing baseline performance with subsequent testing performance. Neuropsychological testing is also used to assess post-surgical changes in cognitive functioning to guide further treatment services. Preferably, these tests should be administered by a psychiatrist or certified psychologist trained to conceptualize the neuro-anatomical and the neuro-behavioral implications of the diagnostic entities under consideration and who is capable of interpreting patterns of test scores in view of principles of lateralization and localization of cerebral function.

Medical Necessity Guidelines

Neuropsychological testing is considered medically necessary for the following indications:

- When there are deficits on standard mental status testing or clinical interview, and a neuropsychological assessment is needed to establish the presence of abnormalities or distinguish them from other disease processes; or
- When neuropsychological data could provide clarification of clinical, laboratory, and neuroimaging data to assist in establishing a clinical diagnosis in neurological or systemic conditions known to affect CNS functioning; or
- When there is a need to quantify cognitive or behavioral deficits related to CNS impairment, and the information will be useful in determining a prognosis or treatment planning by determining the rate of disease progression; or
- When there is a need for a pre-surgical or treatment-related cognitive evaluation to inform whether one might safely proceed with a medical or surgical procedure that may affect brain function (e.g., deep brain stimulation, resection of brain tumors or arteriovenous malformations, epilepsy surgery) or significantly alter a patient's functional status; or
- 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), and this information is utilized in treatment planning; or
- When there is a need to assess progression, recovery, and response to changing treatments, in patients with CNS disorders, in order to determine the most effective plan of care; or
- When there is a need for objective measurement of patients' subjective complaints about memory, attention, or other cognitive dysfunction, which directly impacts medical management by differentiating psychogenic from neurogenic syndromes (e.g., dementia vs. depression), and in some cases will result in initial detection of neurological disorders or systemic diseases affecting the brain; or
- When there is a need for treatment planning purposes of determining functional abilities/impairments in individuals with known or suspected CNS disorders (e.g., capacity for independent living or movement from a family home into an institutional setting); or
- When there is a need to determine whether a patient can comprehend and participate effectively in complex treatment regimens and to determine functional capacity for health care decision-making, independent living, etc.; or
- When there is a need to design, administer, and/or assess outcomes of cognitive rehabilitation procedures, often in collaboration with other specialists such as speech pathologists, occupational therapists, physiatrists, and rehabilitation psychologists; or
- When there is a need for treatment planning of identification and assessment of neurocognitive sequelae of disease ; or
- Assessment of neurocognitive functions for the formulation of rehabilitation and/or management strategies for certain individuals with neuropsychiatric disorders; or
- When there is a need to diagnose cognitive or functional deficits in children and adolescents based on an inability to develop expected knowledge, skills or abilities as required to adapt to new or changing cognitive, social, emotional, or physical demands.

Limits or Restrictions

The content of neuropsychological testing procedures differs from that of psychological testing in that 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.).

Psychological testing codes include the administration, interpretation, and scoring of the medically accepted tests for the evaluation of intellectual strengths, psychopathology, psychodynamics, mental health risks, insight, motivation, and other factors influencing treatment and prognosis.

Psychological tests are used to address a variety of questions about people's functioning, diagnostic classification, co-morbidity, and choice of treatment approach. For example, personality tests and inventories evaluate the thoughts, emotions, attitudes, and behavioral traits that contribute to an individual's interpersonal functioning. The results of these tests determine an individual's personality strengths and weaknesses and may identify certain disturbances in personality or psychopathology. One type of personality test is the projective personality assessment, which asks a subject to interpret some ambiguous stimuli, such as a series of inkblots. The subject's responses can provide insight into his or her thought processes and personality traits.

Examples of problems that might require psychological testing include:

1. Assessment of mental functioning for individuals with suspected or known mental disorders for purposes of differential diagnosis and/or treatment planning.
2. Assessment of patient strengths and disabilities for use in treatment planning or management when signs or symptoms of a mental disorder are present.
3. Assessment of patient capacity for decision-making when impairment is suspected that would affect patient care or management.
4. Assessment of mental function in certain chronic pain patients when indicated after psychological screening prior to surgical pain management intervention (e.g., implantable neurostimulator).
5. Assessment of mental function in a chronic pain patient with suspected somatization disorder.

When a psychiatric condition or the presence of dementia has already been diagnosed, there is value to the testing only if the information derived from the testing would be expected to have significant impact on the understanding and treatment of the patient. Examples include a significant change in the patient's condition, the need to evaluate a patient's capacity to function in a given situation or environment, and/or the need to specifically tailor therapeutic and/or compensatory techniques to particular aspects of the patient's pattern of strengths and disabilities.

Psychological and Neuropsychological testing is not considered reasonable and necessary when:

- the patient is not neurologically and cognitively able to participate in a meaningful way in the testing process;
- administered for educational or vocational purposes that do not establish medical management;
- performed when abnormalities of brain or emotional function are not suspected;

- used for self-administered or self-scored inventories or screening tests of cognitive function (paper-and-pencil or computerized), e.g., AIMS, Folstein Mini-Mental Status Examination;
- Repeated when not required for medical decision-making. Examples of medical decision making include whether to start or continue a particular rehabilitative or pharmacologic therapy);
- Administered when the patient has a substance abuse background, and any of the following apply: the patient has ongoing substance abuse such that test results would be inaccurate, or the patient is currently intoxicated.

Testing conducted when no mental illness/disability is suspected would be considered screening and would not be covered. Non-specific behaviors that do not suggest the possibility of mental illness or disability are not an acceptable indication for testing.

Evaluations of the mental status that can be performed within the psychiatric diagnostic evaluation (e.g., a list of questions concerning symptoms of depression or organic brain syndrome, corresponding to brief questionnaires or screening measures such as the Folstein Mini Mental Status Examination or the Beck Depression Scale, or use of other mental status exams in isolation) should not be classified separately as psychological or neuropsychological testing since they are typically part of a more general psychiatric/psychological clinical exam or interview.

Psychological/neuropsychological testing to evaluate adjustment reactions or dysphoria associated with placement in a nursing home does not constitute medical necessity for testing. Testing of every patient upon entry to a nursing home would be considered a routine service and would not be covered. However, some individuals enter a nursing home at a time of physical and cognitive decline and may require psychological/neuropsychological testing to arrive at a diagnosis and plan of care. Decisions to test individuals who have recently entered a nursing home need to be made judiciously, on a case-by-case basis.

Each psychological/neuropsychological test administered must be individually medically necessary. A standard battery of tests is only medically necessary if each individual test in the battery is medically necessary.

The psychological/neuropsychological testing codes should not be reported by the treating physician for only reading the testing report or explaining the results to the patient or family. Payment for these services is included in the payment for other services rendered to the patient, such as evaluation and management services. Psychological and neuropsychological testing codes should be reported by the performing provider (i.e., clinical psychologist, neuropsychologist, or physician) who administered the test.

Changes in mental illness may require psychological testing to determine new diagnoses or the need for changes in therapeutic measures. Repeat testing not required for diagnosis or continued treatment would be considered medically unnecessary. Nonspecific behaviors that do not indicate the presence of, or change in, a mental illness would not be an acceptable indication for testing. Psychological or psychiatric evaluations that can be accomplished through the clinical interview alone (e.g., response to medication) would not require psychological testing, and such testing might be considered as medically unnecessary.

For the formal evaluation of aphasia using a psychometric instrument such as the Boston Diagnostic Aphasia Examination, testing is typically performed once during treatment, and the medical necessity for such testing

should be documented. Repeat testing should only be done if there is a significant change in the patient's aphasic condition.

Supporting documentation in the medical record must be present to justify the medical necessity and hours tested per patient per evaluation. If the testing time exceeds eight (8) hours, medical necessity for the extended testing should be documented in the report.

Routine re-evaluation of chronically disabled patients that is not required for a diagnosis or continued treatment is not medically necessary.

As published in the CMS IOM Publication 100-08, *Medicare Program Integrity Manual*, Chapter 13, Section 13.5.4, an item or service may be covered by a contractor LCD if it is reasonable and necessary under the Social Security Act Section 1862 (a)(1)(A). Contractors shall determine and describe the circumstances under which the item or service is considered reasonable and necessary.

Coding Guidance

Notice: It is not appropriate to bill Medicare for services that are not covered (as described by the entire LCD) as if they are covered. When billing for non-covered services, use the appropriate modifier.

Codes 96132, 96133, 96136, 96137, 96138, and 96139 describe testing which is intended to diagnose and characterize the neurocognitive effects of medical disorders that impinge directly or indirectly on the brain.

Neuropsychological testing does not rely on self-report questionnaires such as the Minnesota Multiphasic Personality Inventory 2 (MMPI-2), rating scales such as the Hamilton Depression Rating Scale, or projective techniques such as the Rorschach or Thematic Apperception Test (TAT). In circumstances when additional time is necessary to integrate other sources of clinical data including previously completed and reported technician- and/or computer-administered tests, the neuropsychological testing may include time spent integrating self-report questionnaires.

Typically, psychological testing/neuropsychological testing may require four (4) to six (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 date of service.

Documentation Requirements

1. All documentation must be maintained in the patient's medical record and made available to the contractor upon request.
2. Every page of the record must be legible and include appropriate patient identification information (e.g., complete name, dates of service[s]). The documentation must include the legible signature of the physician or non-physician practitioner responsible for and providing the care to the patient.
3. The submitted medical record must support the use of the selected ICD-10-CM code(s). The submitted CPT/HCPCS code must describe the service performed.

4. The medical record must indicate testing is necessary as an aid in the diagnosis and therapeutic planning. The record must show the tests performed, scoring and interpretation, as well as the time involved for services that are time- based.
    - The medical record should include all of the following information:
        - Reason for referral.
        - Tests administered, scoring/interpretation, and time involved.
        - Present evaluation.
        - Diagnosis (or suspected diagnosis that was the basis for the testing if no mental/ neurocognitive illness was found).
        - Recommendations for interventions, if necessary.
        - Identity of person performing service.

Reference Information

Centers for Medicare and Medicaid Services (CMS). Local Coverage Determination (LCD) for Psychological and Neuropsychological Tests (L34520). Accessed December 12, 2023. Available at URL address: https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?lcdId=34520&ver=32

Centers for Medicare and Medicaid Services (CMS). Billing and Coding: Psychological and Neuropsychological Test (A57780). Accessed December 12, 2023. Available at URL address: https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleid=57780&ver=20&.

Policy History

Revision Type	Summary of Changes	P&T Approval Date	MPCC Approval Date
Policy Inception	MMM Medical Policy Committee evaluation	N/A	12/26/2023