Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

MENTAL HEALTH SERVICES IN NURSING FACILITIES IN THE OPERATION RESTORE TRUST STATES

JUNE GIBBS BROWN
Inspector General

MAY 1996
OEI-02-91-00861

OFFICE OF INSPECTOR GENERAL

The mission of the Office of Inspector General (OIG), as mandated by Public Law 95-452, as amended, is to protect the integrity of the Department of Health and Human Services' (HHS) programs as well as the health and welfare of beneficiaries served by those programs. This statutory mission is carried out through a nationwide network of audits, investigations, and inspections conducted by three OIG operating components: the Office of Audit Services, the Office of Investigations, and the Office of Evaluation and Inspections. The OIG also informs the Secretary of HHS of program and management problems and recommends courses to correct them.

OFFICE OF AUDIT SERVICES

The OIG's Office of Audit Services (OAS) provides all auditing services for HHS, either by conducting audits with its own audit resources or by overseeing audit work done by others. Audits examine the performance of HHS programs and/or its grantees and contractors in carrying out their respective responsibilities and are intended to provide independent assessments of HHS programs and operations in order to reduce waste, abuse, and mismanagement and to promote economy and efficiency throughout the Department.

OFFICE OF INVESTIGATIONS

The OIG's Office of Investigations (OI) conducts criminal, civil, and administrative investigations of allegations of wrongdoing in HHS programs or to HHS beneficiaries and of unjust enrichment by providers. The investigative efforts of OI lead to criminal convictions, administrative sanctions, or civil money penalties. The OI also oversees State Medicaid fraud control units which investigate and prosecute fraud and patient abuse in the Medicaid program.

OFFICE OF EVALUATION AND INSPECTIONS

The OIG's Office of Evaluation and Inspections (OEI) conducts short-term management and program evaluations (called inspections) that focus on issues of concern to the Department, the Congress, and the public. The findings and recommendations contained in these inspection reports generate rapid, accurate, and up-to-date information on the efficiency, vulnerability, and effectiveness of departmental programs.

This report was prepared in the New York Regional Office under the direction of Regional Inspector General Alan S. Meyer, Ph.D. Project staff included:

New York

Renee C. Dunn, P.T. (Project Leader)
Lucille M. Cop, R.N. (Lead Analyst)

Headquarters

Barbara R. Tedesco

Medical Review Contractor
FMAS, Inc., Rockville, MD

To obtain a copy of this report contact the New York Regional Office at (212) 264-1998

Department of Health and Human Services

OFFICE OF INSPECTOR GENERAL

MENTAL HEALTH SERVICES IN NURSING FACILITIES IN THE OPERATION RESTORE TRUST STATES

JUNE GIBBS BROWN
Inspector General

MAY 1996
OEI-02-91-00861

EXECUTIVE SUMMARY

PURPOSE:

To describe possible vulnerabilities to the Medicare program in the five Operation Restore Trust States: California, Florida, Illinois, New York, and Texas in the provision of mental health services to nursing facility residents.

BACKGROUND:

Events in the past few years have raised concerns about the subject of mental health care for nursing facility residents: the number of nursing facility residents with mental disorders has increased, and the expansion of Medicare Part B coverage of these services has tripled payments. The Office of Inspector General has received allegations of abusive practices relating to these services. Because of these concerns, we conducted a study entitled "Mental Health Services in Nursing Facilities" (OEI-02-91-00860) to identify vulnerabilities in Medicare payments for mental health services provided to residents of these facilities across the country. The study revealed significant amounts of unnecessary and questionable services and problems with coding of records.

Since the original study focuses on nursing homes, it falls within the purview of a major new initiative of the U.S. Department of Health and Human Services. This effort, Operation Restore Trust (Project ORT) is an anti-fraud initiative designed to target fraud, waste, and abuse related to home health agencies, nursing homes, and durable medical equipment suppliers. This initiative targets California, Florida, Illinois, New York, and Texas, the five States with the highest number of Medicare and Medicaid beneficiaries.

Our original study provided data on a national sample of these services. In the present report we analyze data from the five Operation Restore Trust States and compare them with the original findings for the national sample. We report the results of this analysis here.

FINDINGS:

The Project ORT States Were As Likely As The Nation As A Whole To Have Unnecessary or Questionable Services

In 34 percent of sample records received in the five Project ORT States, Medicare paid for medically unnecessary Services; this projects to $7 million in Project ORT States. Thus, in all States, about a third of the records in Project ORT States were for medically unnecessary services. Of the 169 records received, 57 contained medically unnecessary services. In 19 records all services were unnecessary; and in 38 some were unnecessary.

In another 17 percent of sample records received in Project ORT States, Medicare paid for highly questionable services; this projects to $5 million in these States. The 17

percent of questionable services (28 of 169 records) in Project ORT States was almost identical to the 16 percent in all States. In another twenty-two records (13 percent) in the Project ORT States, documentation was so poor they could not be reviewed.

New York and Florida Appear To Have Greater Than The Average Percentage of Unnecessary Services For All States

Forty-six percent of the services in New York and 38 percent of the services in Florida were unnecessary. These figures are somewhat and slightly higher, respectively, than the 32 percent of services in all States that were unnecessary. If we add questionable cases to those unnecessary, the results show that Florida is as likely as New York to have either unnecessary or questionable services.

Improper Coding Was Found in 30 Percent of Project ORT States' Records

In 30 percent of the 90 cases in the Project ORT States, where there was enough information to determine what the correct procedure code should be, the code billed appeared to have been incorrect. This is exactly the same as the 30 percent of incorrectly coded cases among the 225 cases in all the States.

Psychological Testing and Group Therapy Were More Likely To Be Unnecessary and Questionable in Most Project ORT States, Just As In All States

Psychological testing and group therapy were the services most likely to be unnecessary or questionable in four of the five Project ORT States, as they were in all States. Also, as in all States, residents with a mental health diagnosis of some type of dementia, including Alzheimer's disease, had higher percentages of unnecessary or questionable services than those with other diagnoses in three of the Project ORT States. Only New York, however, follows the same pattern as in all States where clinical psychologists and clinical social workers were more likely than psychiatrists to have unnecessary services billed to Medicare. In Florida, psychiatrists were slightly more likely than the psychologists and social workers to have unnecessary or questionable services; and in Illinois and California, psychiatrists were about as likely as psychologists and social workers to have such services.

Among Project ORT States, only in Florida are the "old, old" residents more likely than the younger ones, as in all States, to have unnecessary and questionable services. The four remaining Project ORT States actually have less than the average percentage of unnecessary or questionable services for those 85 and over than in all States.

Factors Which Cause Vulnerabilities In All States Exist in Project ORT States

We found a lack of carrier policies and screens specific to nursing facilities and difficulty identifying patients' nursing facilities in the Project ORT States as vulnerabilities which might jeopardize Medicare payment integrity.

NEXT STEPS:

In our main report, entitled "Mental Health Service in Nursing Facilities" (OEI-02-91-00860), we make recommendations to help ensure the integrity of Medicare payments while promoting the delivery of needed care. We also discuss Operation Restore Trust strategies to follow-up on the issues raised in the report. In this report we provide detailed information about each of the five Project ORT States in order for the various players in the States to target audits and reviews.

The above findings for the Project ORT States show that mental health services in nursing facilities in each of these five States were as likely to be either unnecessary or questionable as in all States. Each Project ORT State's profile of problem services, however, is unique.

These findings point to a series of further actions which appear appropriate for HCFA and its carriers and relevant State agencies to consider. To assist auditors, investigators, HCFA, carriers and State agencies in targeting the kinds of problem services particular to each of the five States, we are providing separate State Profiles in Appendix A.

Each Profile contains a highlight section followed by specific demographic and record data characteristics. We believe the profiles can help States to target for closer review and action, those services which appear most vulnerable to inappropriate reimbursement.

TABLE OF CONTENTS

INTRODUCTION

PURPOSE:

To describe possible vulnerabilities to the Medicare program in the five Operation Restore Trust States: California, Florida, Illinois, New York, and Texas in the provision of mental health services to nursing facility residents.

BACKGROUND:

A number of events in the past few years have brought attention to, and raised concerns about, the subject of mental health care for nursing facility residents. For example, the number of nursing facility residents with mental disorders has increased; Medicare Part B coverage of these services has expanded, resulting in a tripling of payments in the past two years; the Nursing Home Reform Act was implemented to assure that the mental health needs of nursing facility residents are properly met; and the Office of Investigations (OI) has had a number of investigations concerning abusive practices relating to these services.

The number of individuals with psychiatric disorders residing in nursing facilities now surpasses the number in psychiatric hospitals, according to the American Psychiatric Association (APA). The reasons for this change are the transfer of many elderly residents of State and county mental hospitals to nursing facilities, the aging of the population, and earlier discharges from acute care hospitals. Recent studies have also shown that psychiatric disorders and emotional, behavioral and cognitive problems are present in a majority of nursing facility residents. It is difficult to quantify the extent and types of problems because these conditions are not always the primary reason for institutionalization, and are not always accurately reported in patients' medical records.

Operation Restore Trust

This inspection was conducted as part of the Department of Health and Human Services anti-fraud initiative called Operation Restore Trust (Project ORT.) Operation Restore Trust is a joint effort by the Office of Inspector General, the Health Care Financing Administration, and the Administration on Aging designed to coordinate Federal and State Resources to combat fraud, waste, and abuse related to home health agencies, nursing homes, and durable medical equipment suppliers. This Operation Restore Trust initiative targets California, Florida, Illinois, New York, and Texas, the five States with the highest number of Medicare and Medicaid beneficiaries.

The general findings of our study of national data are contained in a separate report, entitled "Mental Health Services in Nursing Facilities" (OEI-02-91-00860.) In this report we have analyzed data specific to the five Project ORT States.

The Nursing Home Reform Act

As a part of the Omnibus Budget Reconciliation Act (OBRA) of 1987, Congress passed the comprehensive Nursing Home Reform Act (PL 100-203). This expanded requirements that nursing facilities had to meet for Medicare certification. It focused on each resident's highest potential for physical, mental and psychosocial well-being with reasonable accommodation for individual needs and preferences. The Act mandated that all applicants to Medicaid certified nursing facilities and all nursing facility residents must be screened to determine whether they have a mental illness or mental retardation, whether they need active treatment, and whether they need the level of nursing care provided by a nursing facility. This Preadmission Screening and Annual Resident Review (PASARR) is the screening process used to determine those nursing facility residents who need both specialized mental health services and nursing facility care and can stay in a nursing facility and those residents that need specialized services, but not nursing facility care and must be transferred to a more appropriate setting unless they have lived in a nursing facility more than 30 months and choose to stay. The State is responsible for making sure that the residents get the specialized services they need.

The Nursing Home Reform Act also requires that residents appropriately placed in nursing facilities receive a full range of services to address their psychosocial needs and behavioral problems. This range of services is not precisely defined, but nursing facilities must "conduct standardized, reproducible assessments of each resident's functional capacity..." within 14 days of admission, if the patient's condition changes, and at least every 12 months to determine the appropriate services. This assessment uses the Resident Assessment Instrument (RAI) which is a multidimensional, clinically focused evaluation tool. It provides a basis for identifying problems and developing a resident's plan of care. The RAI has two parts: the Minimum Data Set (MDS) which is the basis of the resident assessment process and the Resident Assessment Protocols (RAPS) which identify the residents' unique problems. This information is used by the interdisciplinary team and the resident when developing the resident's individualized, comprehensive care plan. Seven of the 18 RAPs specifically address mental health problems commonly found in nursing facilities such as delirium, cognitive loss/dementia, psychosocial well-being, sad and anxious moods, behavior problems, psychotropic drug use, and use of physical restraints.

The Nursing Home Reform Act also mandated the development of regulations constraining the use of psychotropic drugs. The Health Care Financing Administration (HCFA) regulations state that residents must be free from unnecessary drugs, not be given antipsychotic drugs except to treat a specific condition, and be given gradual dose reductions.

Medicare Coverage of Mental Health Services

As with all Part B Medicare services, covered mental health services must be "reasonable and necessary for the diagnosis or treatment of an illness or injury or to improve the functioning of a malformed body member." Payment is prohibited for medical services

that are for prevention, palliation, research or experimentation. In the absence of national policy, local carriers determine their own policies.

Services may be provided by different professionals. Medicare defines each of these specialties for the purposes of coverage. While psychotropic drugs may be prescribed only by a physician, behavioral and psychotherapeutic approaches may be carried out by a psychiatrist, a clinical psychologist and/or a clinical social worker.

Clinical psychologists' and social workers' services are covered the same as services by a physician, they may only provide those services they are legally authorized to perform in their State. Additionally, independent clinical social workers may not bill Medicare Part B for services furnished to an inpatient of a skilled nursing facility that the facility is required to provide as a Medicare condition of participation.

From 1966 until 1988, Section 1833 (c) of the Social Security Act placed a cap on each Medicare beneficiary's psychiatric outpatient costs incurred during a calendar year. Prior to 1988, Medicare paid no more than $250 annually for covered outpatient treatment of mental, psychoneurotic or personality disorders. This was based on 62.5 percent of a maximum of $500 in reasonable charges and subject to a further reduction of 20 percent for co-insurance. Charges for initial diagnostic services, i.e., psychiatric testing and evaluation to diagnose the patient's illness, were never subject to this limitation. Psychiatrists were the primary providers, either directly providing services or supervising the provision of services by non-physicians, including clinical psychologists and social workers, and billing them as incident to the psychiatrist's service.

Medicare Expansion of Mental Health Benefits

The Omnibus Budget Reconciliation Act (OBRA) of 1987 liberalized Medicare Part B coverage of outpatient psychiatric services. Beginning in 1988, reimbursement for outpatient psychiatric services increased to $450 annually, based on 62.5 percent of $900 in reasonable charges and a further reduction of 20 percent for co-insurance. In January 1989, this was increased to $1100 annually, based on 62.5 percent of $2,200 with a 20 percent co-insurance. This legislation also expanded Medicare coverage to include therapeutic services directly furnished by clinical psychologists, effective July 1988, but covered services were restricted to those furnished in certain settings such as community mental health centers (CMHCs).

The OBRA of 1989 further expanded the Part B Medicare psychiatric benefit. It eliminated the dollar cap on outpatient psychiatric reimbursement, effective January 1, 1990, although the reasonable charges are still reduced by a 62.5 percent limitation and the 20 percent co-insurance remains in effect. Brief office visits for the sole purpose of monitoring or changing drug prescriptions and any partial hospitalization services not furnished by a physician were excluded from the 62.5 percent limitation, effective January 1990. In addition, effective July 1990, direct payment to clinical psychologists can be

psychologists were covered for the first time but only on an assignment basis, which means they agree to accept Medicare's approved amount.

Trends in Medicare P[illegible]

psychologists were covered for the first time but only on an assignment basis, which means they agree to accept Medicare's approved amount.

Trends in Medicare Reimbursement

Medicare reimbursement for the five most commonly reimbursed mental health HCPCS codes for psychiatrists, clinical psychologists and clinical social workers for all Part B services show a 57 percent increase, from $353 million in 1991 to $555.6 million in 1993. However, these same codes for the same three provider types for services provided in nursing facilities showed a 244 percent increase, from $20.8 million in 1991 to $71.7 million in 1993. Definitions of the procedure codes are in Appendix B.

Concerns About Possible Fraud and Abuse

During the years prior to liberalization of the outpatient psychiatric benefit in 1988, postpayment claims monitoring by HCFA and Medicare carrier staff identified a variety of abusive and fraudulent physician practices. Among the most common were those involving nursing home and old age home patients, many often incapable of communication, whose Medicare accounts were billed for lengthy psychotherapy sessions, individual and group. In some cases no service was rendered; in many others a brief visit to check and/or adjust drug prescriptions was the actual service. However, outpatient psychiatric services were not usually given intense scrutiny by HCFA, presumably because of the cap on outpatient reimbursement.

After three and one-half years of uncapped Part B psychiatric benefits and three years of covered clinical psychologist and clinical social worker services, only limited HCFA review of the nature and extent of these services and the practices of their providers takes place. One kind of review that carriers have available is called focused medical review which targets more in-depth medical review efforts at claims for items, services or providers that present the greatest risk of inappropriate payments. In 1992 and 1993, there was minimal Medicare carrier Focused Medical Review (FMR) of these services. However, in one identified instance of carrier focused review of psychological testing, the review established that the psychological testing conducted in nursing homes by certain clinical psychologists was excessive and unnecessary. This case resulted in an Office of Investigations (OI) Management Implication Report (MIR).

A HCFA-funded Medicare carrier study in Arkansas has been looking at ancillary services in nursing facilities. While reviewing beneficiary records, this carrier discovered problems involving consultation and psychotherapy services provided by non-physicians in nursing facilities. One problem involved clinical psychologists in group practice billing for therapy provided by unsupervised non-clinical social workers. After readjudicating claims from the group which billed for these services from 1988 to early 1992, the carrier has recovered nearly a quarter million dollars and may assess additional overpayments.

Cases of suspected fraudulent practices involving outpatient psychiatric services have been recently identified by carriers and referred to the OIG. An August 1992 OIG/OI Atlanta

fraud alert addresses concerns about excessive and fraudulent billing for psychotherapy services provided by a clinical psychologist. It reports a pattern of aggressive marketing of psychological services to Medicare beneficiaries in certified retirement and nursing facilities.

AARP Public Policy Institute Study

A 1994 report "Barriers to Mental Health Services for Nursing Home Residents" was published by the AARP Public Policy Institute. The goal of the project was to develop data about the need of nursing home residents for mental health services, the availability of such services, and the barriers to obtaining needed care.

Policymakers and researchers who contributed to the report agreed that many mentally ill nursing home residents would benefit from increased attention from mental health professionals. These residents often respond well to short-term interventions. They go on to say that mental health services are scarce in nursing facilities because of low Medicare and Medicaid reimbursement rates; limits to mental health coverage under these programs; and difficulties that facilities face in recruiting mental health professionals to work in nursing homes.

They concluded that the presence of mental health professionals such as psychiatrists, psychologists, psychiatric and geriatric nurses, and clinical social workers in nursing facilities is the key to helping residents with mental disorders. They felt that timely treatment can forestall further decline and that attracting the necessary mental health professionals to nursing facilities would require improved reimbursement rates and fewer restrictions on services.

METHODOLOGY:

The methodology described here applies to both the separate national data study and the present Project ORT data study. The results of the applications to the present study are **bolded** below.

First, we selected a simple random sample of 540 beneficiary claims from the 1993 HCFA Common Working File which meet certain conditions. These 540 claims were in 37 States. The sample consists of beneficiaries who received any one of five of the six top HCFA common procedure coding system (HCPCS) services: psychiatric diagnostic interview (90801); psychological testing with written report (90830); individual psychotherapy, 20 to 30 minutes (90843); individual psychotherapy, 45 to 50 minutes (90844); and group psychotherapy (90853) provided in a nursing facility. A more detailed description of these procedure codes is given in Appendix B. Pharmacologic management and review of medication with no more than minimal medical psychotherapy (90862) was eliminated from the universe prior to sampling because that procedure code can only be billed by a medical doctor and not a psychologist or social worker. All claims by a psychiatrist for an evaluation only were also omitted. **Forty three percent or 247 records were in the five Project ORT States.**

Beneficiary claims in the five Project ORT States were handled by seven Medicare carriers which we contacted to obtain copies of claims in order to identify the nursing facility where services were provided. Next, we asked the nursing facilities to send us copies of the sample patients' medical records. We requested: the initial admission evaluation; all mental health documentation during the patient's entire stay; and for 1993, all nurse's notes, medication orders, physicians' notes, including consultations; and any patient assessments that were done.

We received 397 (74 percent) of the 540 records requested nationally. **We received 169 or a slightly smaller percent (68 percent) of the 247 records in the five Project ORT States.** We contracted with FMAS, Inc., a medical review contractor to review the medical records which did not pass initial screens. The screening was done by either the inspection team or FMAS, Inc. screeners. The case screening instrument used for screening all the records was developed by the contractor using clinical screens generally accepted among mental health care peer review organizations. These screens are used for reviewing records for all patients requiring mental health care. In developing the screening instrument the medical review contractor did a literature search and talked to people who had leadership roles in their professional organizations. The screening instrument included variables such as the patient's diagnosis and treatment (both medical and psychological), how the mental health treatment was initiated, its goals, indications for testing, how the tests are used, the existence of a treatment plan, and any changes in the patient's status after treatment.

The first listed service in 1993 which was one of the five sampled procedure codes was screened against the clinical guidelines in the case screening instrument. We call this the sample service. Cases failing the clinical screens for this first service **(107 records in all Project ORT States)** were referred to the contractor's clinical reviewer of the same provider type as that on the claim for further review of all 1993 mental health services. Those passing the screens **(40 records in all Project ORT States)** were not reviewed any further. **The remaining 22 records from all the Project ORT States did not have enough information for the screeners to make a determination. Of the 107 sent for further review the medical reviewers determined which services were medically necessary, which services were medically unnecessary, which services were questionable.**

From the sample of 540 claims nationally, we also selected a random subsample of 120 nursing facilities in which the sample beneficiaries resided, to interview the administrator by telephone. We were able to contact 102 nursing facility administrators or their designees who were directors of nursing and/or social workers on their staffs to get their views on the increased utilization of the mental health benefit, any problems associated with it, its impact on nursing facility residents, barriers to services and effects of adding clinical psychologists and clinical social workers as Part B providers. **We interviewed 41 nursing facility administrators in the Project ORT States.**

We asked all 42 carriers nationally, **including eight in the five Project ORT States,** for their policies, procedures and guidelines for mental health services, as well as any related

bulletins or provider education materials. We also asked about any cases they were developing related to fraud and abuse in mental health services in nursing facilities, whether they conduct Focused Medical Review in this area, and what their thoughts are on the inspection issues.

Lastly, sixteen carriers were selected purposively from the universe of 42 to include at **least one carrier from each of the five Project ORT States (one State had two carriers for a total of 6)**. The other 10 carriers were selected based on their activities in the mental health area and having a substantial number of claims in our sample. One or more officials from each of the carriers were asked about documentation of claims, complaints, monitoring, barriers to services and effects of adding clinical psychologists and clinical social workers as Part B providers.

The methodology for the larger study included a simple random sample of claims across the nation. **This resulted in relatively small numbers of claims from most of the five Project ORT States. Numbers of records received out of the total sample in each Project ORT State ranged from 56 out of 80 in Florida to only 11 out of 17 in Texas. Numbers received in the other three States ranged from 38 to 27. For this reason, findings regarding records from individual Project ORT States are reported as suggestive of possible trends needing further study based on larger samples. All results from Texas are too small to be suggestive, as are results from other States when cell sizes are five or less. However, the dollar projections for the unnecessary and questionable services in all the Project ORT States are statistically significant. The unnecessary services have a confidence interval of +/- $2.7 million and the questionable services have a confidence interval of +/- $2.6 million.**

Appendix A profiles each of the Project ORT States individually showing highlights of each State with its individual data. We use the term "problematic" services in Appendix A and in the text to include both unnecessary and questionable services.

We conducted our review in accordance with the *Standards for Inspections* issued by the President's Council on Integrity and Efficiency.

An example is the case of a 69 year old male from Illinois with a diagnosis of dementia. A social worker billed for 69 group therapy sessions from January to July 1993, and a psychologist billed for 3 testing sessions in March 1993; the patient died in September 1993. The reviewer noted the need for services was not documented in the record and were questionable since the patient was demented and hard of hearing.

In another twenty-two records (13 percent) in the Project ORT States, documentation was so poor they could not be reviewed. These twenty-two records did not contain enough information for the screeners to even refer the records to the clinical reviewers. This is similar to the 10 percent of the records in all States which did not have enough information.

New York and Florida Appear To Have Greater Than The Average Percentage of Unnecessary Services For All States

Forty-six percent of the services in New York and 38 percent of the services in Florida were unnecessary, as shown in TABLE I. These figures are somewhat and slightly higher, respectively, then the 32 percent of services in all States which were unnecessary.

TABLE I shows the total number of records in our sample in each Project ORT State, the percent of cases that had some or all of their services unnecessary and the percent that had all of their services questionable. The percents of unnecessary and questionable services are based on the total number of records received, including those with not enough information. If we add the questionable cases to those unnecessary, the above results change only in that Florida becomes as likely as New York to have either unnecessary or questionable services.

California with 16 percent had a somewhat higher percentage of cases with not enough information than three other Project ORT States had. While Texas only had eleven cases, almost half of their cases did not have enough information.

TABLE I

Percent of Services Which Are Unnecessary or Questionable By State

	CALIFORNIA	FLORIDA	ILLINOIS	NEW YORK	TEXAS	ALL STATES
% Unnecessary services	32%	38%	27%	46%	9%	32%
% Questionable services	11%	20%	19%	11%	27%	16%
Total records received	37	56	37	28	11*	397

* Numbers are too small for percentages to be suggestive.

Examples of unnecessary services from Project ORT States include: An 83 year old woman from Florida with a diagnosis of Alzheimer's disease had billings by a psychologist for the longer therapy sessions beginning in November 1993 and was still being treated by the psychologist in 1995. The reviewer indicates that the patient did not have to be seen for such a long time and that the patient is lonely and could have participated more in social activities to meet her needs. A 73 year old woman from New York with a diagnosis of dementia and expressive aphasia had group therapy billed by a psychiatrist at least once a week in 1993. The medical reviewer questioned the need for this group therapy for a woman with dementia and expressive aphasia.

Improper Coding Was Found in 30 Percent of Project ORT States' Records

According to the medical reviewers, in 30 percent of the 90 cases in the Project ORT States, where they had enough information to determine what the correct procedure code should be, the code billed appeared to have been incorrect. This is the same as the 30 percent of miscoded cases among the 225 cases in all the States. Among the four Project ORT States with sufficient numbers of cases, Illinois was least likely (16 percent) to have improper codes.

In over half (56 percent) of these incorrectly coded cases in the Project ORT States, the services appeared to be medication management without any documentation of psychotherapy, but psychotherapy was billed. New York and Florida were more likely than the other three States to include miscoded cases of this type.

In 16 percent of those with a questionable psychotherapy code, a longer psychotherapy session was billed either with no documentation to support the longer time or with the record showing a profile of a patient who could not benefit from a longer session. The clinical reviewers found it difficult to determine whether brief psychotherapy or longer psychotherapy was the appropriate code in many of these cases, since the length of the psychotherapy session was rarely documented. The percent of improper coding of longer psychotherapy sessions in Project ORT States is exactly the same as the percent in all States.

An example of billing for psychotherapy when the reviewers thought it should be medication management is that of an 87 year old man in Florida. He was confused and disoriented with a diagnosis of anxiety disorder and being treated with both sedatives and major tranquilizers. The medical reviewers indicated that the visits by the psychiatrist were appropriate as medication management, given the mental state of the patient, and that psychotherapy was questionable.

Psychological Testing and Group Therapy Were More Likely To Be Unnecessary and Questionable in Project ORT States, Just As In All States

Psychological testing and group therapy were the services most likely to be unnecessary or questionable in four of the five Project ORT States, as they were in all States (see TABLE II).

In each of the three Project ORT States with more than a handful of cases, testing and group therapy services were more likely to be unnecessary or questionable than were evaluation and psychotherapy services. The percent of unnecessary or questionable testing and group therapy services in these three States (Florida, Illinois and New York) ranged from 70 to 75 percent, not substantially different from the 79 percent in all States.

Conversely, most Project ORT States with enough cases, did not differ greatly from all States in which 47 percent of evaluation and psychotherapy services were problematic. Only in Florida, among Project ORT States with enough cases to be suggestive, were evaluation and individual psychotherapy services relatively close (62 percent to 71 percent) to the percent unnecessary or questionable for testing and group therapy services. As noted in the larger study of all States, percents of questionable and unnecessary services as high as 40 percent (or even less) are still highly unacceptable.

TABLE II

Unnecessary and Questionable Services by Type of Service

TYPE OF SERVICE**	CALIFORNIA	FLORIDA	ILLINOIS	NEW YORK	TEXAS	ALL STATES
testing & group therapy	2* 100%	7 71%	10 70%	8 75%	0* 0%	66 79%
evaluation & psychotherapy	29 48%	42 62%	24 42%	18 56%	6 * 67%	291 47%

* Numbers are too small for percentages to be suggestive.

** Numbers in each cell are the number of records which serves as the denominator for calculating the percentage of problematic services. Records without enough information are excluded.

An example of unnecessary testing is illustrated in the case of an 82 year old female from New York with a diagnosis of dementia who is unable to converse: a psychologist billed for testing on two separate occasions. The medical reviewer indicated that the provider wrote "no formal evaluation was possible today but will attempt one in a week," and that no tests were performed and that a mini mental status exam was done in 1992 when the patient was unable to be assessed because of her dementia. The reviewer concluded that the psychologist's intervention was not appropriate.

Diagnosis

Residents with a mental health diagnosis of some type of dementia, including Alzheimer's disease, had higher percentages of unnecessary or questionable services than those with other diagnoses in all but one (Illinois) of the Project ORT States with adequate numbers (see TABLE III below.) These differences parallel the finding for all States combined that residents with dementia were more likely than those with other diagnoses (58% to 45%) to have unnecessary or questionable services.

Florida and California, in particular, with 74 percent and 69 percent respectively, were more likely to have such dementia cases than were all States.

TABLE III

Unnecessary or Questionable Services by Diagnosis

DIAGNOSIS**	CALIFORNIA	FLORIDA	ILLINOIS	NEW YORK	TEXAS	ALL STATES
Patients with some form of dementia	16 69%	27 74%	13 46%	14 64%	5* 60%	193 58%
Patients with other diagnoses	14 29%	23 52%	20 55%	12 58%	1* 100%	155 45%

* Numbers are too small for percentages to be suggestive.

** Numbers in each cell are the number of records which serves as the denominator for calculating the percentage of problematic services. Records without enough information are excluded.

Only in Illinois among Project ORT States with sufficient numbers, did residents with other diagnoses appear to be somewhat more likely than those with dementia (55 percent to 46 percent) to have unnecessary or questionable services. Illinois was also the only Project ORT State to include more non-dementia cases (61 percent) than dementia cases (39 percent). Again, Texas had too few cases to be suggestive.

Providers

In all States, as shown in TABLE IV below, clinical psychologists and clinical social workers (61 percent) were more likely than psychiatrists (46 percent) to have unnecessary services billed to Medicare. Looking at the Project ORT targeted States individually, only New York follows this same pattern. In Florida, psychiatrists were slightly more likely (69 to 61 percent) than the

psychologists and social workers to have unnecessary or questionable services; and in Illino
California, psychiatrists were about as likely as psychologists and social workers to have su
services.

TABLE IV

Unnecessary or Questionable Services by Type of Provider

PROVIDERS**	CALIFORNIA	FLORIDA	ILLINOIS	NEW YORK	TEXAS	ALL
Clinical psychologists and clinical social workers	16 50%	23 61%	11 55%	14 57%	3* 67%	
Psychiatrists	15 53%	26 69%	21 52%	7 43%	3* 67%	

* Numbers are too small for percentages to be suggestive.

** Numbers in each cell are the number of records which serves as the denominator for calculating the percentage of problematic services. Records without enough information are excluded.

We did not include some categories such as nurse practitioners or nurse specialists because the numbers were very small.

Residents 85 and Older

The "old, old" residents (85 and older) were more likely than younger residents to have unnecessary or questionable services in all States combined. (See TABLE V) below. Sixty-two percent of these residents 85 and older had such services compared to 47 percent of those under 85. Among Project ORT States, only in Florida are the old, old residents more likely than the younger ones (79 percent to 55 percent) to have unnecessary and questionable services. The remaining Project ORT States actually have less than the average percentage of unnecessary or questionable services for 85 and over residents than in all States. New York, with 73 percent of the services of those under 85 and only 45 percent of those 85 and over unnecessary or questionable, differs most from other Project ORT States and from all States. Illinois also differs from all States in having more problematic services in residents under 85 than in those 85 and over.

An example of a case of unnecessary services in New York is that of a 75 year old man with no mental health diagnosis who had psychological testing billed in May and

October. There was no documentation as to why the tests were administered and the reviewer questioned whether they were standard psychological tests.

TABLE V

Unnecessary or Questionable Services by Age

AGE**	CALIFORNIA	FLORIDA	ILLINOIS	NEW YORK	TEXAS	ALL STATES
Residents 85 & over	8 50%	19 79%	10 30%	11 45%	2* 50%	138 62%
Residents under 85	23 52%	31 55%	24 58%	15 73%	4* 75%	219 47%

* Numbers are too small for percentages to be suggestive.

** Numbers in each cell are the number of records which serves as the denominator for calculating the percentage of problematic services. Records without enough information are excluded.

Factors Which Cause Vulnerabilities In All States Exist in Project ORT States

Lack of Carrier Policies and Screens Specific to Nursing Facilities

The five Project ORT States are serviced by 8 carriers, 7 of which are in our sample. All of the carriers have policies and procedures about outpatient mental health services but only one has a comprehensive Mental Health Part B manual.

All seven Project ORT carriers have screens or edits relating to Mental Health services in general, but none have any that relate specifically to Mental Health services in a nursing facility. At the time of our review, four of the seven carriers had recently instituted restrictive time frames for testing, evaluation and/or psychotherapy codes. One carrier in California has an approved listing of tests and the provider must document the test actually performed on the claim. Three of the carriers are dealing with aberrant providers by instituting pre or post payment reviews and one has referred two providers to OIG.

Difficulty Identifying Patients' Nursing Facilities

In the original sample, there were 30 cases where we were unable to identify the nursing facility to request records. Half of these cases were in three Project ORT States. In many other cases we used a comprehensive nursing home computer file to find the name of the facility when only an address was available. The mailing address of the beneficiary on the top of the hard copy claim form often does not include the name of the

nursing facility, nor is it listed on the bottom of the form as the facility where services are rendered. On electronic claims it is even more difficult to identify the nursing facility where the beneficiary resides. Not being able to determine the facility where the beneficiary resides makes it is impossible to retrieve the records for review to identify unnecessary or questionable services in a nursing facility.

NEXT STEPS:

In our main report, entitled "Mental Health Service in Nursing Facilities" (OEI-02-91-00860), we make recommendations to help ensure the integrity of Medicare payments while promoting the delivery of needed care. We also discuss Operation Restore Trust strategies to follow-up on the issues raised in the report. In this report we provide detailed information about each of the five Project ORT States in order for the various players in the States to target audits and reviews.

The above findings for the Project ORT States show that mental health services in nursing facilities in each of these five States were as likely to be either unnecessary or questionable as in all States. Each Project ORT State's profile of problem services, however, is unique.

These findings point to a series of further actions which appear appropriate for HCFA and its carriers and relevant State agencies to consider. To assist auditors, investigators, HCFA, carriers and State agencies in targeting the kinds of problem services particular to each of the five States, we are providing separate State Profiles in Appendix A.

Each Profile contains a highlight section followed by specific demographic and record data characteristics. We believe the profiles can help States to target for closer review and action, those services which appear most vulnerable to inappropriate reimbursement.

APPENDIX A

PROFILES OF PROJECT ORT STATES

Introduction: A profile of each of the five Project ORT States is presented below which includes a highlights section featuring the ways in which the State stands out from other Project ORT States and/or from all States in the original sample. Separate sections follow which report the State's demographics and the characteristics of its sample cases in terms of numbers and types of records, services, providers, residents, and unnecessary and questionable services found. When we refer to "problematic" cases, these include both unnecessary and questionable services.

Since the numbers of records from most of these States are relatively small, they should be seen as suggestive rather than indicative of what the characteristics would be if based on larger samples. In the case of Texas, with only 11 records received, the numbers are too small to be viewed as suggestive. The latter are reported here with those of the other States for informational purposes only.

The profiles are provided to help HCFA, carriers and appropriate State agencies to target further actions to address specific types of vulnerabilities suggested by the data.

CALIFORNIA

HIGHLIGHTS

California has the largest population of all States, including the Project ORT States. With only 6 percent, it had the lowest percent (except for Texas) of services for testing or group therapy, the two most problematic services in all States.

California was somewhat less likely than all States (50 percent to 61 percent) to have problematic cases come from psychologists and social workers. The State is more likely than all States (69 percent to 58 percent) and than all Project ORT States, except Florida, to have problematic services associated with residents with dementia. The State was less likely than all States (29 percent to 45 percent) as well as less likely than the other four Project ORT States to have problematic cases among residents with diagnoses other than dementia.

DEMOGRAPHICS

- The 1990 population was 29,760,021 or 12 percent of the total US population.
- Eleven percent were 65 or over and 1 percent were 85 or over; one-half of one percent of the population resided in nursing homes.

RECORDS

- Of 63 records from California in the sample, 37 were received and 26 were not. Twenty two facilities did not send a record and 4 facilities were not located.
- Of 37 records screened, 31 contained adequate information and 6 did not.

SERVICES

- Eleven of 37 services were for evaluation.
- Two services were for testing.
- Thirteen services were for brief psychotherapy.
- Ten services were for longer psychotherapy.
- One service was for group therapy.

PROVIDERS

- Seventeen services were provided by psychiatrists, 16 by psychologists, 3 by social workers and 1 by another provider.

- Six providers served more than one patient.

RESIDENTS

- Nine of the 37 residents were 85 or older and 28 were under 85.

- Sixteen residents had a diagnosis of dementia; 14 did not.

UNNECESSARY OR QUESTIONABLE SERVICES

- Overall

  Sixteen (43 percent) of 37 records received had some medically unnecessary or questionable services.

- Type of Service

  Three of 8 evaluations were problematic and 5 were appropriate. (3 had inadequate information.)

  One of 2 testings was problematic and 1 was appropriate. (1 had inadequate information.)

  Five of 12 brief psychotherapy were problematic and 7 were appropriate. (1 had inadequate information.)

  Six of 9 longer psychotherapy were problematic and 3 were appropriate. (1 had inadequate information.)

  One group therapy service was problematic.

- Providers

  Eight of 15 services by psychiatrists were problematic and 7 were necessary. (2 had inadequate information.)

  Seven of 14 services by psychologists were problematic and 7 were necessary. (2 had inadequate information.)

One of 2 services by social workers was problematic and the other was necessary. (1 had inadequate information.)

The 1 service by an "other" provider did not have adequate information.

- Residents

Four of residents 85 or older had problematic services and 4 had necessary services. (1 had inadequate information.)

Eleven residents with dementia had unnecessary or questionable services; 4 residents with other diagnoses had problematic services.

CARRIERS

- California is serviced by two carriers; one in the north and the other in the south.
- Both carriers are in sample; northern (19 claims) and southern (44 claims.)
- Of 19 records, 13 were received from the northern carrier; of 44 records, 24 were received from the southern carrier.
- Northern carrier has:
  meetings with Psychological Association quarterly;
  edits for 90801, 43/44 and 53-one service per day per provider;
  assures that test(s) performed must be on claim, extensive listing of approved tests; and
  conducted focused medical reviews on 12 providers in 93/94.
- Southern carrier has an:
  edit for testing, no more than 6 hours;
  edit for 90841-62, 36 per 90 days; and
  edit for 90844, 64 per 365 days.

FLORIDA

HIGHLIGHTS

Florida, with 15 percent of the total population of the five Project ORT States, accounted for 32 percent (N=80) of all Project ORT records in the sample. Among Project ORT States (not counting Texas), Florida had the lowest percent of records for the problematic testing and group therapy services (14 percent), which was also lower than the average for all States. The State was more likely than all States combined and other Project ORT States (again excepting Texas) to have providers (25 percent) who served more than one patient in the sample.

Florida was more likely than all States (58 percent to 48 percent) to have unnecessary (38 percent) or questionable services (20 percent). Together with New York, Florida was also more likely than other Project ORT States to have such problematic services. A major reason for the relatively high percent of problematic services in Florida is the concentration, as noted above, of providers who served more than one sample patient. While only 29 percent of providers in the State who served only one patient had problematic services, 86 percent of multiple-patient providers had problematic services. Florida, along with New York, were more likely than the other three Project ORT States to have cases of medication management which appeared to be miscoded as psychotherapy.

The State was also more likely than all States (62 percent to 47 percent) than other Project ORT States, except Texas, to have problematic records for evaluation and individual therapy services. Florida was much more likely than all States (69 percent to 46 percent) to have problematic records for psychiatrists. The State was also more likely than all States to have problematic records for residents with dementia (74 percent to 58 percent) and for residents 85 and older (79 percent to 62 percent).

DEMOGRAPHICS

- The 1990 population was 12,937,926 or 5 percent of the total US population.
- 18 percent are 65 years or older and 2 percent are 85 or older.
- 0.6 percent reside in nursing homes.

RECORDS

- Of 80 records from Florida, 56 records were received and 24 were not. Seventeen facilities did not send record and 7 facilities were not located.

- Of 56 records screened, 50 had adequate information for a determination to be made and 6 did not.

SERVICES

- Twenty three of 56 services were screened for evaluation.
- Four services were for testing.
- Twelve services were brief psychotherapy.
- Ten services were for longer psychotherapy.
- Seven services were for group therapy.

PROVIDERS

- Twenty eight of 56 services were provided by psychiatrists, 19 by psychologists, 8 by social workers and 1 by a nurse practitioner.
- Fourteen providers served more than one patient.

RESIDENTS

- Twenty one of the 56 residents were 85 or older and 35 were under 85.
- Twenty seven residents had a diagnosis of dementia, twenty three didn't.

UNNECESSARY OR QUESTIONABLE SERVICES

- Overall

  Thirty two (57 percent) of 56 records received had some medically unnecessary or questionable services.

- Type of Service

  Twelve of 21 evaluations were problematic and 9 were appropriate. (2 had inadequate information.)

  Four of 4 testings were problematic. (1 had inadequate information.)

  Six of 11 brief psychotherapy were problematic and 5 were appropriate.

Eight of 10 longer psychotherapy were problematic and 2 were appropriate.

Two of 4 group therapy were problematic. (3 did not have adequate information.)

- Providers

Eighteen of 26 services by psychiatrists were problematic and 8 were appropriate. (2 had inadequate information.)

Twelve of 17 services by psychologists were problematic and 5 were appropriate. (2 had inadequate information.)

Two of 6 services by social workers were questionable and 4 were appropriate. (2 had inadequate information.)

The one service by nurse practitioner was appropriate.

Twelve of 14 providers seeing more than one patient had problematic services.

- Residents

Fifteen of 19 residents 85 or over had problematic services and 4 had appropriate services. (2 had inadequate information.)

Twenty residents with dementia had problematic services; twelve with other diagnoses had problematic services.

CARRIER

- Florida is serviced by one Medicare Carrier which: has a Comprehensive Mental Health Part B Mental Health Manual; screens for 90830, allowing up to 4 hours in a 12 month period; screens for 90801, suspending for more than 1 in 12 month period; and conducts post pay reviews for testing which exceeded acceptable standards.

ILLINOIS

HIGHLIGHTS

Illinois represents 13 percent of the population in the Project ORT States but accounts for 22 percent (N = 55) of the records in the total Project ORT State sample. The State, just behind New York, had the highest percent (29 percent) of its records for testing and group therapy services, the two most problematic in all States. But it also had the lowest percent (34 percent) of providers who were psychologists or social workers, and the lowest percent (35 percent) of residents with dementia, the most problematic types of providers and diagnoses in all States.

Illinois not only had the lowest percent of residents with dementia, but it also had the lowest percent (46 percent) of dementia cases which were found to be problematic both among Project ORT States and among all States. Similarly, Illinois had the lowest percent (30 percent) of problematic cases which were 85 and older of all Project ORT States and of all States (62 percent). As a result, it differed along with New York, from all States and other Project ORT States in having a higher percent of problematic cases among those under 85 than among those 85 and over. Illinois was least likely of the five States to have cases with improper codes.

DEMOGRAPHICS

- The 1990 population was 11,430,602 or 4.5 percent of the total US population.
- 13 percent are over 65 years of age and 0.8 percent are 85 or older.
- 0.8 percent reside in nursing homes.

RECORDS

- Of the 55 records from Illinois in the sample, 37 were received and 18 were not. Fourteen facilities did not send record and 4 facilities were not located.
- Of 37 records screened, 34 contained adequate information for a determination to be made and 3 did not.

SERVICES

- Nine of 37 services were for evaluation.

- Nine services were testing.
- Ten services were for brief psychotherapy.
- Seven services were for longer psychotherapy.
- Two services were for group therapy.

PROVIDERS

- Twenty three services were provided by psychiatrists, 11 by psychologists, 1 by a social worker and 2 by other providers.
- Four providers served more than one patient.

RESIDENTS

- Ten of 37 residents were 85 or older and 27 were under 85.
- Thirteen residents have a diagnosis of dementia, 20 do not.

UNNECESSARY OR QUESTIONABLE SERVICES

- Overall

  Seventeen (46 percent) of 37 records reviewed had some medically problematic services.

- Type of Service

  All 8 evaluations were appropriate. (1 had inadequate information.)

  Five of 7 testing were problematic and 2 were appropriate. (1 had inadequate information.)

  Six of 9 brief psychotherapy were problematic and 3 were appropriate. (1 had inadequate information.)

  Four of 7 longer psychotherapy were problematic and 3 were appropriate.

  Two of 2 group therapy were problematic.

- Provider

  Eleven of 21 services by psychiatrists were problematic and 10 were appropriate.

  Five of 10 services by psychologists were unnecessary or questionable and 5 were appropriate.

  One service by social worker was problematic.

  Two services by other providers were appropriate.

  Five of 8 providers serving more than one patient had problematic services.

- Residents

  Three residents 85 or older had problematic services and 7 had appropriate services.

  Six residents with dementia had unnecessary or questionable services; 11 with other diagnoses had problematic services.

CARRIERS

- Illinois is serviced by one carrier.
- It referred 12 providers to fraud unit, overpayments were obtained from 10 and 2 were referred to IG.
- Effective 9/93, it established a maximum of 10 hours per year allowed for testing.

NEW YORK

HIGHLIGHTS

New York with 20 percent of the population of the Project ORT States had only 13 percent (N = 32) of all of the sample records from all Project ORT States. Only Texas was lower with only 7 percent of all sample cases. The State was more likely than all States (31 percent to 18 percent) to have testing and group therapy services. It also had the highest percent of such services among Project ORT States, though closely followed by Illinois. The State was most likely of all States and of Project ORT States to have services provided by psychologists (67 percent) and to have providers characterized as "other" (18 percent), which means that the exact provider, possibly a group or other kind of specialist, is not identifiable. New York had no services provided by a social worker.

New York was more likely than all States (46 percent to 32 percent) to have unnecessary services and more likely than the other four Project ORT states to have them. When questionable services are included, New York was also more likely than all States (57 percent to 48 percent) to have records with problematic services. It is the only Project ORT State to parallel the findings for all States that psychologists and social workers were more likely than psychiatrists to have problematic services. It also appeared more likely than other Project ORT States and than all States to have problematic services for residents under 85, and for those with a diagnosis of other than dementia. New York, along with Florida, were more likely than the other three Project ORT States to have cases of medication management which appeared to be miscoded as psychotherapy.

DEMOGRAPHICS

- The 1990 population was 17,990,455 or 7 percent of the total US population.
- 13 percent are over 65 and 1.3 percent are 85 or older; 0.7 percent of the States' population reside in nursing homes.

RECORDS

- Of the 32 records from New York, 28 were received and 4 were not.
- Of the 28 records screened, 26 contained adequate information and 2 did not.

SERVICES

- Nine of 28 services were for evaluation

- Seven services were for testing.
- Seven services were for brief psychotherapy.
- Four services were for longer psychotherapy.
- One service was for group therapy.

PROVIDERS

- Seven services were provided by psychiatrists, 16 by psychologists and 5 by other providers.
- Three providers served more than one patient.

RESIDENTS

- Eleven of 28 residents were 85 or older and 17 were under 85.
- Fourteen residents had a diagnosis of dementia; 12 did not.

UNNECESSARY OR QUESTIONABLE SERVICES

- Overall

  Sixteen (57 percent) of 28 records received had some medically unnecessary or questionable services.

- Type of Service

  Six of 8 evaluations were problematic and 2 were necessary. (1 had inadequate information).

  Five of 7 testings were problematic and 2 were necessary.

  Two of 6 brief psychotherapy were problematic and 4 were necessary. (1 had inadequate information.)

  Two of 4 of the longer psychotherapy were problematic and two were necessary.

  One group therapy service was problematic.

- Provider

  Three of 7 services by psychiatrists were problematic and 4 were necessary.

  Eight of 14 services by psychologists were problematic and 6 were necessary. (2 had inadequate information.)

  Five of 5 services by other providers were problematic.

  There were no social workers in the sample.

  All of the providers seeing more than one patient had problematic services.

  Residents

  Five of residents 85 or older had problematic services and 6 had necessary services. (2 had inadequate information.)

  Nine residents with dementia had unnecessary or questionable services; 7 residents with other diagnoses had problematic services.

CARRIERS

- New York is serviced by three Carriers; 1 Upstate and 2 Downstate.
- Two carriers are in the sample, 1 Upstate (4 claims) and 1 Downstate (28 claims.) All four records not received were from Downstate.
- Each Carrier had one record with inadequate documentation.
- One Carrier was drafting a new policy for testing code.
- One Carrier had additional educational efforts in 1995.
- One Carrier has a provider on prepayment review for testing code.

TEXAS[2]

HIGHLIGHTS

Texas with 19 percent of the population of Project ORT States had only 7 percent (N = 17) of Project ORT sample records. Eleven of these records were received, of which only 6 had enough information to review. There were no testing or group therapy services in the 11 records received. Four psychiatrists saw more than one patient, thus placing Texas highest among the Project ORT States in percent of providers (37 percent) serving multiple patients. Texas has the lowest percentage of residents 65 or older of all Project ORT States.

DEMOGRAPHICS

- The 1990 population was 16,986,510 or 7 percent of the total US population.
- 10 percent are over 65 years of age and 0.9 percent are over 85; 0.6 percent of the State's population reside in nursing homes.

RECORDS

- Of 17 records from Texas in the sample, 11 were received and 6 were not.
- Of 11 records screened, 6 contained adequate information for a determination and 5 did not.

SERVICES

- Five of 11 services screened were for evaluation.
- Two were for brief psychotherapy.
- Four services were for longer psychotherapy.
- There were no testing or group therapy services in the sample.

---

[2] Since only 11 records were received from Texas, the numbers are reported here for information only and should not be taken as even suggestive of what a larger sample would have revealed about the State.

PROVIDERS

- Six of the 11 services were provided by psychiatrists, four by psychologists and one by a social worker.

- Four psychiatrists served more than one patient.

RESIDENTS

- Five of 11 residents were 85 or older and 6 were under 85.

- Five residents had a diagnosis of dementia and one did not.

UNNECESSARY OR QUESTIONABLE SERVICES

- Overall

  Four (36 percent) of 11 records received had some medically unnecessary or questionable services.

- Type of Service

  Two of 5 evaluations were problematic, 2 lacked information and 1 was necessary.

  One of the brief psychotherapy services was necessary and the other lacked information.

  Two of 4 longer psychotherapy services were unnecessary or questionable and two had inadequate information.

- Provider

  Two of 3 services by psychiatrists were unnecessary or questionable and 1 was appropriate.

  One of 4 services by psychologists was problematic, one was medically necessary and the other two had inadequate information.

  The one social worker service was problematic.

Two of the psychiatrists seeing more than one patient had unnecessary or questionable services.

- Residents

  One of 5 residents over 85 had problematic services, one was medically necessary and three had inadequate information.

  Three residents with dementia had unnecessary or questionable services; one resident with other diagnoses had a problematic service.

CARRIERS

- Texas is serviced by one Medicare Carrier.
- Concern was expressed about "incident to" issue: a medical record is needed to ascertain who actually provided the service.
- Carrier has held many educational seminars for the three disciplines and provided them with handouts.

APPENDIX B

DESCRIPTION OF PROCEDURE CODES

90801	Psychiatric diagnostic interview, examination including history, mental status, or disposition (may include family or other sources, ordering and medical interpretation of laboratory, or other medical diagnostic studies in lieu of the patient).
90830	Psychological testing by physician, with written report, per hour.
90843	Individual medical psychotherapy by a physician with continuing medical diagnostic evaluation, and drug management when indicated, including insight oriented behavior modifying or supportive psychotherapy, approximately 20 to 30 minutes.
90844	Individual psychotherapy approximately 45 to 50 minutes.
90853	Group medical psychotherapy (other than of multiple family group) by a physician, with continuing medical diagnostic evaluation and drug management when indicated.