Psychiatry Coding & Reimbursement Alert

Reader Question: Check Payer Rules When Handling Psychotherapy Services With E/M

Question: For all the patients seeking services in our psychiatry practice, we provide invoices towards payments that they make. These patients will later send these invoices to their insurance providers to get reimbursement. We follow this arrangement as we do not directly take any insurance. My question is when we send in the invoice for a service provided by our psychiatrist that involves both an E/M service and psychotherapy, should we provide separate invoices for both these services or should we just provide one consolidated invoice mentioning details of the list of services provided?

Hawaii Subscriber

Answer: When providing an invoice for services rendered, it is always best to provide details of those services and of the fee that you have charged for each service. You can provide the fee charged as one consolidated amount, but some payers might prefer to see how much you have charged for each service, and listing fees at the service level on your invoice will benefit your patients in those situations.

If you are not sure about how to divide up the fee that you have charged for each portion of the service provided, you can try calculating this by using the Relative Value Units (RVUs) that are assigned to each service in the Medicare physician fee schedule, which can be found on the CMS website.

For example, if the RVU for the E/M service is 'x' units and the RVU for the psychotherapy is 'y' units, you can add up the two and divide the total fee that you charge for both the services put together by that sum. This will give you the value for every RVU unit in your practice. This value can be then multiplied by the individual RVUs for each service to determine how much of the total charge to apportion to each one.

Best bet: It is always best to provide as much detail as you can for invoices provided when the patient pre-pays the amount, as payer rules and requirements differ.