



## VERMONT PSYCHOLOGICAL ASSOCIATION

P.O. Box 1017 100 State Street - Suite 329 Montpelier, VT 05601-1017  
Tel: (802) 229-5447 Fax: (802) 225-8948 Email: [vpaed@vermontpsych.org](mailto:vpaed@vermontpsych.org)

Website: [www.vermontpsych.org](http://www.vermontpsych.org)

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January 13, 2016

Julie Tucker  
Committee Assistant  
House Human Services  
115 State Street  
Montpelier, Vermont 05633

Re: Vermont Medicaid/DVHA Reimbursement Rates for Group Therapy and Other Psychotherapy Services

To the Honorable Chair and Committee Members of House Human Services:

On January 1, 2016, the Department of Vermont Health Access (DVHA) implemented a 50% rate reduction for group psychotherapy (CPT Code 90853). *This change is having and will continue to have a profound negative impact on access to vital mental and substance abuse services across Vermont.* The Vermont Psychological Association, in collaboration with the National Association of Social Work – VT Chapter, and the Vermont Mental Health Counselors Association respectfully requests the restoration of these rate cuts to group therapy. Many leading mental organization from the private and public sector share in our concern about access to mental health care.

The 50% group psychotherapy reimbursement rate cut as implement 1/1/16 by DVHA has been fraught with misinformation. First, it is important that people understand that this was a two-phase change – half of which went into effect 7/1/15. The 7/1/15 change was to bring DVHA into compliance with the *methodology* used by Centers for Medicare Services for how this service is billed. This was a change from a 15min unit of service time with up to 8 units per day per beneficiary to one unit per beneficiary per day regardless of time (presumably 60min group). This was a small cut estimated at \$117,000 absorbed by providers. It is critical to understand that DVHA is in full compliance with the 7/1/15 change for billing purposes.

The problem is with the 1/1/16 change. This latter change is not related to federal compliance with rules or procedures, nor does it have anything to do with what other states reimburse for the same procedure despite what DVHA may state – it is simply a rate cut. The technical way this cut is being made is by changing the “multiplier” for the RVU (Relative Value Unit) to “1” instead of “2” – in other words, this is a rough and heavy-handed 50% cut. It’s hard to make sense of how a 50% rate cut would be compliant with parity laws, or be reasonable at all in a time of mental health and addiction crisis in the state.

DVHA acknowledges that this cut is discretionary in its own proposal “The Medicaid conversion factor is derived based on the amount of legislatively allocated, aggregate dollars available to reimburse for professional services” (see attached). This is being cut because DVHA is trying to balance its total budget. They estimate that this will save over \$1 million. However, the numbers they use to estimate such savings is misleading. First, they use the old rate of \$41.00 per session compared to the new rate of \$20.50 but those figures are based on Doctoral-Level provider rates many of whom rarely bill for group therapy and don’t reflect actually amount paid (old rate was \$38.13 and new rate is \$19.07). The more accurate number would be for Master-Level provider rates which dropped from approximately \$31.00 (old rate) to \$15.80 (new rate).

Group therapy remains one of the most effective, cost efficient, access-promoting modalities available today; it is also among the most difficult to perform, and the most labor intensive to document, etc. In budget negotiations, the legislature can help DVHA find a better way to more evenly spread rate cuts, if such are to be had.

The following page contains a sample of comments from providers across the state in response to these cuts:



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*“As a new member of the VPA, my primary reason for joining is the 90853 reduction in reimbursement. I practice in Milton, Vermont and have been offering after school group therapy for children who have witnessed and who have been victims of domestic violence, who have parents in jail, have emotional disturbance, etc. If the reductions go forward in January, I will be unable to continue to offer this groups and I am afraid that this population will go unserved. These are the kids who need early intervention to help prevent them from repeating the cycle. What can I do to help get my voice heard on this issue?”*

*“The radical drop in group psychotherapy reimbursement will gravely impact providers' ability to deliver services in a group therapy format. As a licensed psychologist-master I contract with both the Dept. of Corrections and the Division of Child and Families to deliver group therapy services to adult and adolescent sexual offenders and adult perpetrators of domestic violence. Group Psychotherapy represents a best-practice standard and has been mandated by Vermont state agencies for service delivery to these populations. Sex offender treatment in the community seems to be a lynchpin in reducing the prison population while maintaining an expectation of community safety. Currently, it is my understanding that DOC's direct cost for services to private providers is under \$250 per offender per year. Approximately 70%-80% of those offenders qualify for Medicaid. If the reimbursement drops below the 7/1/15 levels by more than 50% as proposed for 1/1/16, providers of these specialized services would be seriously compromised in their capacity to serve these populations.”*

*“If the proposed cuts occur there is a potentially radical impact on services to the segment of the population receiving group psychotherapy services. The impact on Vermonters who receive group psychotherapy services for the much greater range of needs that are addressed in group therapy is very concerning.”*

*“The cuts are harsh indeed especially considering the affected challenging populations. These are populations for which a state hospital or community mental health center based treatment program would probably add hazard pay - and also provide the ongoing specialized training in addition to provider salary. The classic CMS RBRVS values - even for Medicare when I review them - seem to assume that the costs of the service are only for the face to face time. They seem to downplay the costs of the behind the scenes elements of the service including increased note-taking time to document service fully and adequately - and address treatment planning time for each individual in the group.”*

*“Rick, I have referenced the ‘Vermont Clinical Practices Guide for the Assessment and Treatment of Adult Sex Offenders’, Editor Robert McGrath, MA, published by Vermont Center for the Prevention and Treatment of Sexual Abuse. On page 7, the guidance is ‘Group treatment is generally the preferred primary treatment modality’. Referencing the adolescent population of sexual harmers, the document titled, ‘Recommended guidelines for a system of investigation and treatment of juvenile sex offenders’, published by AHS under the Governor Howard Dean, presents on page 19 the phrase, ‘Sexual offender peer group therapy, with adjunctive family therapy, is the primary treatment of choice.’ Although the ‘horse may be out of the barn’, the impact that is real in Vermont is that the providers of this therapy (specialized) will not be able to provide the standard of care to these clients. The implications for children in foster care looking for outpatient services or even a specialized foster home for Juvenile sexual harmers will no longer be available to the needed continuum of treatment for this population. I believe that the local policymakers are important to inform as our local VT legislators, however, this is a federal system that is leaving our communities significantly UNSAFE. Has there been contact with our US Senators about these impacts?”*

*“Group psychotherapy and substance abuse treatment is synonymous. How can Vermont, which has been so public about our ‘opioid epidemic’ cut group therapy rates, or any psychotherapy/counseling services to addicted populations. DVHA with the support of the Dept. of Health has poured millions of dollars into medications for addictions and call this treatment and now we slash reimbursement rates for psychosocial services? The impact of not adequately funding group and individual therapy for mental health and substance abuse services in Vermont will result in poor health outcomes, poor quality care, and increased costs for the very healthcare system reforms that are supposed to do the opposite. Please prevent further cuts and increase reimbursement rates for mental health and substance abuse group and individual services.”*



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*"I am a sole provider. I have a contract with DOC to provide group for individuals (men and women) who have been convicted of sex offenses. The CBT program has been nationally recognized, well documented, well researched and proven to be an effective therapy for clients as well as being cost effective. Most of the clients are working, low income and have Medicaid for insurance. With the change in reimbursements from \$46 to \$30 July 2015 and then to \$16 Jan 2016, it effectively stops this program. How can we make our voices heard?"*

*"I have been a mental health counselor for 11 years. I have been in private practice for 8 years and have been serving the Hardwick community in a variety of ways. I see roughly 37 clients a week and during the summer I serve them both by seeing them individually and also for group therapy. Throughout the school year I provide a number of groups, one being my 6th grade girls group in which we meet once a week. The focus is on helping them develop skills that will help them transition into middle school. The groups I have been offering for the past 8 years have provided this service to hundreds of children. The groups give each child a chance to develop greater social skills, self-esteem, life skills and overall well-being. We also focus on personal responsibility, environmental awareness and involvement within their community. With the new rate reduction, I will no longer be able to provide these services. It will be a devastating loss for the Hardwick community."*

*"I am a therapist who also works in the Hardwick area, been in private practice for 5 years but have been working in programs for youth with social/emotional/behavioral challenges and community mental health since 2002. I have facilitated a group once a week during the school year, sometimes twice a week on vacations and three times a week for one month summer vacations. The therapeutic medium we use has a primary focus on developing social skills, and communication while providing sorely needed structure during periods when structure may be absent. The groups have been effective across all the areas of focus, my clients have also developed skills they were often not aware supporting positive self-esteem and social skills. Often issues play out during the social context of group, which provide unique opportunities to work with my clients' issues that is vastly different to what may emerge in individual counseling. Nearly all of my clients are on Medicaid and come from impoverished homes. The cuts have already drastically impacted my ability to provide this service and with further cuts I am not optimistic about being able to facilitate groups."*

*"I have 34 kids on my case load who are going to go without services if I can no longer provide groups. My current group has gone as far to tell me they would rather do some fundraising so that I can continue with them."*

These cuts in reimbursement rates are detrimental to access for Vermonters with mental health and substance abuse issues seeking services.

Sincerely,

Rick Barnett, Psy.D., M.S., LADC  
Legislative Chair  
Vermont Psychological Association