

Senate Health and Welfare
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The rates for reimbursement for group therapy services as proposed by DVHA is not feasible and will result in the suspension of those services, an increase in waiting lists, and a further degradation of the community system. Previously, group psychotherapy was billed by units of time. Reimbursement was generally \$60 per 90 minute session for each individual as the standard of care for most group psychotherapy is 1.5 hours.

Effective July 1, 2015 DVHA changed the reimbursement structure to per episode and set it at 40.00 for Ph.D's. The discounted rate became 31.16 per event for Masters Clinicians. In January, DVHA cut this rate by 50%. This rate is set for 20.80 per session which is then further reduced to \$15.80 per session provided by Masters level clinicians. This cut has been characterized by DVHA as being necessary to bring Vermont into compliance with Federal rules. However, DVHA combined two unrelated rate cuts to the "90853" group therapy code into a single proposal. One change was needed change to bring DVHA into compliance with the methodology for how this service is billed - moving from time-based billing to service-based billing. This change represented a significant cut to providers who were doing longer groups and it went into effect on July 1, 2015. The second change, which took effect on January 1 of 2016, is not about compliance with federal rules or procedures, it is a rate cut. By changing what's known as the "multiplier" to "1" instead of "2" DVHA has made a draconian 50 percent cut, on top of the cut that was already made in July for many providers. If this rate reduction remains, we will be compelled to eliminate these services as we cannot sustain further losses than we already experience. Agencies have already scaled back existing groups and stopped providing new, innovative groups such as wellness groups.

Last year Adult Outpatient programs saw 7000 people and sustained a million dollar loss. This is in part, due to our mission to provide care regardless of ability to pay. For example, at WCMHS, 10% of clients are uninsured with another 5-10% underinsured due to high deductibles and/or limited services. Last year, the group payer mix was 14% uninsured; 14% private insurance or self-pay; 72% Medicaid. Other agencies report a similar breakdown with 6-7% uninsured, 32% private insurance, and 62% Medicaid.

WCMHS estimates a potential loss of 37,000 due to this rate change. Other agencies project similar losses. Given the statement above regarding current losses to outpatient programs, this is not sustainable.

As clinicians in the private sector are forced to limit/deny access due these rates, waiting lists will grow in the outpatient programs at the same time that we are less able to provide them.

In contrast to private insurers this rate is abysmally low. Rates of reimbursement from private insurance contracts at Washington County range from \$30 to \$50 for masters clinicians.

It has been said that this rate cut is competitive with other states. It is clearly not competitive with private insurance. The rate used to make this claim is inflated as it is for a type of provider (Ph.D's) almost never used in the DA system.

In fact, one of the unintended consequences of going to this rate will be more service provided in an individual format, at a much higher rate. So, for example, if we now see four clients in a group at thirty each, and we close the group, we will endeavor to see those same individuals at a cost of approximately seventy dollars a session. The bill to DVHA will be \$280.00. If we had seen them in a group, the bill would be \$124.

What will be lost?

Diagnoses and treatment needs addressed in group therapy include:

Substance abuse, trauma, PTSD, Borderline & OCD personality disorder, anxiety and depressive disorders, bi-polar disorders, pedophilia

Modalities used in group therapy include:

Trauma & Recovery for Women

Transition Age Youth

Dialectical Behavioral Therapy & Cognitive Behavioral Therapy

Batterer Intervention

Didactic skills building

Sex offender treatment

Co-occurring substance abuse/trauma recovery

Caregiver workshop: a parenting group

Smoking cessation

STEPPS (systems training for emotional predictability & problem solving)

WRAP (wellness recovery action plan)

Medication education

Grief & Loss

Seeking Safety

Mindfulness training

Re-Entry groups

Wellness and Self Care skills groups

Level of intensity ranges from 1.5 hour weekly group to 6 hours weekly (three 2-hour groups)

Attached, please find a chart looking at expenses and projected revenues for groups. A group costs approximately 180.00 to provide. This includes two staff time to provide the group. The standard of care for the majority of groups is at minimum 1.5 hrs. It also includes supervision, preparation time, and administrative support. In order to 'break even', groups must be reimbursed at 36.57 for master's degreed clinicians.

More recently DVHA has determined that it would be beneficial financially to impose a 24 session limit for psychotherapy. This is a violation of both federal and state parity laws. It has also been demonstrated repeatedly not to be a cost savings. If a client has met medical necessity such that they are in services for more than 24 sessions, it's unlikely that a clinical review would determine that discontinuation of services makes sense. The average length of stay is between 15-20 sessions. Private insurance companies have discontinued this practice because it a. does not save money and b. because it is a violation of the law. DVHA is cutting the least expensive services that provide stabilization, prevent higher levels of care and reach the most clients. This has been demonstrated again and again to result in higher costs in emergency room and inpatient care. Other states that have cut their outpatient services have had to rebuild them after seeing dramatic increases in psychiatric crisis and suicide rates. It is challenging to not perceive these cuts as an attack on our community system and on the members of our community who are the least able to fight such cuts.

