



VERMONT PSYCHOLOGICAL ASSOCIATION, Inc.

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)

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April 5, 2016

Re: H. 875

To the Senate Health and Welfare and Senate Appropriations Committee:

FY 2017 Budget Bill, H.875 is vast and complex. While in the House of Representatives, Vermont Psychological Association (VPA) and many other key stakeholders provided testimony to restore Dept of VT Health Access (DVHA) cuts to group psychotherapy reimbursement rates. Testimony was also provided to request eliminate DVHA's proposal to implement pre-authorization for psychotherapy after 24 sessions/ year.

On behalf of over 1,000 members of the Vermont Psychological Association, the National Association of Social Workers – VT Chapter, and the Vermont Mental Health Counselors Association, who treat *thousands of Vermonters each year*, we respectfully ask the Senate to add language and funds to the FY 2017 Budget Bill to restore the drastic cuts group therapy reimbursement rate and eliminate the current language in the bill suggesting a clinical case review after 20 individual outpatient psychotherapy sessions.

There are two main reasons to include these changes – **Access and Cost**.

**Group Therapy:** Group therapy is an evidenced-based practice for a range of health and mental health issues\*.

**Access:** There is documented evidence providers have stopped offering group therapy for alcohol/substance abuse, adolescents, and sex offender since DVHA cut Medicaid reimbursement rates by 50% on January 1, 2016. The Dept. of Corrections has terminated all their contracts with outpatient providers of group sex offender therapy as of 5/16/16 as they cannot afford to pay the guaranteed contracted rate since the 1/1/16 cuts. Also, testimony was provided to the House by patients who had benefitted from group therapy.

**Cost:** The DVHA reported savings as a result of these cuts are erroneous. In testimony provided House Human Services Committee in January 2016, DVHA employee Carrie Hathaway confirmed that the savings were calculated in a way that may inflate the reported savings. The financial and societal costs incurred as a result are incalculable. Another consequence is that more services may now be provided at the higher individual psychotherapy rate in an attempt to preserve access.

**Suggested Amendment:**

The legislature requests that DVHA restore the group psychotherapy rate to the 12/31/15 level effective 7/1/16.

**Outpatient Psychotherapy Session Limits** – Limits to primary outpatient mental health services violates parity.

**Access:** March 30, 2016, Vol. 81, No. 61, Part V of the Federal Register, Department of Health and Human Services, Centers for Medicare and Medicaid Services, 42 CFR Parts 438, 440, 456, et al.

Medicaid and Children's Health Insurance Programs; Mental Health Parity and Addiction Equity Act of 2008; the Application of Mental Health Parity Requirements to Coverage Offered by Medicaid Managed Care Organizations, the Children's Health Insurance Program (CHIP), and Alternative Benefit Plans; Final Rule.\*\*

Vermont Medicaid as Managed by DVHA may be in violation of this Final Rule and the Affordable Care Act. Additionally, session limits will place unnecessary burdens on providers and DVHA staff resulting in loss of treatment services. Medicare *does not* limit primary outpatient mental health treatment services. DVHA's Clinical Utilization Review Board (CURB) rationale for this change was to be "on par" with private insurance standards. Private insurance companies *eliminated pre-authorization* practices in VT effect 1/1/14. This provides a strong argument to eliminate this section from the FY 2017 Budget Bill.



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**Cost:** The administrative cost to review each case that exceeds 20 sessions is well documented. In the 1990's, DVHA hired an independent consulting firm to provide a cost/benefit analysis of a Managed Medicaid which placed strict limits on the number of allowable mental health and substance abuse sessions per year. The Delmarva, Inc. study showed significant administrative costs of managing mental health services compared to unrestricted sessions. In addition, recent research shows that parity "has had little to no effect on access and use of mental health services" and that "the number of visits to mental health professionals did not rise as expected if parity (or the Affordable Care Act) had increased access to care".\*\*\* This is in contrast to DVHA's report that more Medicaid Beneficiaries are using mental health services at higher rates since the ACA.

**Suggested Amendment:**

Strike Section E.307 (bottom of p.156) of H.875

It is troubling that both these changes represent such a tiny fraction of the FY 2017 budget and will result in a net increase in costs in FY 2018 if not amended. These changes are based on misleading information at best and are in potential violation of federal and state mental health and substance abuse parity laws. Finally, these changes, if not amended, represent complete disregard for some of the most needed and robust cost-saving overall health care services in Vermont.

**Final thoughts on access and cost:**

H.875 shows the DVHA has a budget of ~\$1.6 billion. The Department of Mental Health represents ~\$225million or 14% of the DVHA budget. They successfully lobbied for a 2% increase in their budget. Outpatient mental health and substance abuse services provided outside Dept of Mental Health, i.e. Independent Practices (coded 835 Professional Services), represent less than \$30million or less than 2% of DVHA budget. The one person/one day (24hr) hospitalization cost at Vermont Psychiatric Care Hospital is ~\$2,000. One psychotherapy session = ~\$80. One group therapy session for 5 people at 12/31/15 rate = ~\$200.

Respectfully,

*Rick Barnett, Psy.D., LADC*

*M.S. Clinical Psychopharmacology*

*Past-President, Legislative Chair, Vt. Psychological Association*

*56 Old Farm Rd., Stowe VT, 05672*

*Ph: 802 373-2909 Fx: 888-923-3476*

*Twitter: @drrickbarnett*



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\*Group Psychotherapy is has been proven to be beneficial in the treatment of many mental and physical health conditions including, but not limited to:

Trauma	Eating Disorders
Alcoholism and Addiction	Social Anxiety
Depression	Heart Disease, Cancer, Diabetes
Dementia	Parkinson's disease
Schizophrenia	Sexual Disorders
Personality Disorders	Stress Reduction

Group therapy ranges in duration, frequency, intensity. Approaches include Psycho-Education, Supportive, Cognitive Behavioral, Mindfulness-Based, Insight-Oriented, 12-step oriented and others.

Below is a sample of research articles demonstrating effectiveness of group psychotherapy.

See: <http://www.agpa.org/home/practice-resources/evidence-based-practice-in-group-psychotherapy>

The benefits of psychosocial interventions for cancer patients undergoing radiotherapy.

*Guo Z, Tang HY, Li H, Tan SK, Feng KH, Huang YC, Bu Q, Jiang W. Health Qual Life Outcomes. 2013 Jul 17; 11:121. Epub 2013 Jul 17.*

Meaning-centered group psychotherapy for patients with advanced cancer: a pilot randomized controlled trial.

*Breitbart W, Rosenfeld B, Gibson C, Pessin H, Poppito S, Nelson C, Tomarken A, Timm AK, Berg A, Jacobson C, et al. Psychooncology. 2010 Jan; 19(1):21-8.*

A pilot study of group mindfulness-based cognitive therapy (MBCT) for combat veterans with posttraumatic stress disorder (PTSD).

*King AP, Erickson TM, Giardino ND, Favorite T, Rauch SA, Robinson E, Kulkarni M, Liberzon I. Depress Anxiety. 2013 Jul; 30(7):638-45. Epub 2013 Apr 17.*

Mediational Relations between 12-step Attendance, Depression, and Substance Use in Patients with Comorbid Substance Dependence and Major Depression

Matthew J. Worley, Susan R. Tate, Sandra A. Brown

Addiction. Author manuscript; available in PMC 2013 November 1. Published in final edited form as: Addiction. 2012 November; 107(11): 1974–1983.

Relational Psychotherapy Mothers' Group: A developmentally informed intervention for at-risk mothers

Suniya S. Luthar, Nancy E. Suchman, Dev Psychopathol. available in PMC 2012 March 27.

CBT-based treatment for bipolar disorder and SUD. Integrated Group Therapy has shown efficacy for reducing substance use and mood symptoms in several studies (Weiss et al., 2000; 2004; 2009).

NOTE: The above information was provided by VPA to DVHA leadership, at DVHA's request, prior to implemented cuts to group therapy.

\*\*<https://www.gpo.gov/fdsys/pkg/FR-2016-03-30/pdf/2016-06876.pdf>

\*\*\*<http://healthjournalism.org/blog/2016/02/research-using-new-private-insurer-data-shed-light-on-how-system-is-and-isnt-working-in-six-areas/>