

There has been some misinformation and confusion about the current changes to the group psychotherapy code reimbursement rate as proposed by DVHA. First, it is important that people understand that this is a two-phase change – half of which has been active since July 1. The July 1 change was, in fact, a needed change to bring DVHA into compliance with the *methodology* for how this service is billed. This is a technical point, and has to do with whether the service is paid for by length of time (units of 15 mins) or as one fee for the service regardless of time (called an encounter code). This change did represent a cut to provider who were doing longer groups, like 1 ½ hours, but this was a small cut estimated at \$117,000 taken from providers. However, it is critical to understand that DVHA is now in full compliance with the change needed to be made for billing purposes. The system already, since this change, also uses the RVU methodology.

The problem that providers have is with the second part of the change, which went into effect on January 1 2016. This change has nothing whatsoever to do with federal compliance with rules or procedures – it is simply a rate cut. The technical way this cut is being made is by changing the “multiplier” for the RVU to “1” instead of “2” – in other words, this is a draconian 50% cut. It’s hard to understand how a 50% rate cut, not at all required, as per above, would pass the test of parity, or would make sense at all in a time of mental health and addiction crisis in the state. The State 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.” In other words, this is being cut because DVHA is trying to balance its total budget. They estimate that this will save over 1 million dollars – which is a large cut to providers who are already struggling.

Why would DVHA wish to place such weight of their need to balance its budget on the backs of a single procedure code?

Please remember – the issue with coding compliance has already been solved, and the January change is purely discretionary. I would not want to ask DVHA to roll back to pre-July, but I do wish that they will not implement the coming discretionary cut.

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. I hope there is some way that the GMCB may be able to assist with this matter, and help DVHA find a better way to more evenly spread rate cuts, if such are to be had. This cut could be disastrous to the system as a whole, and is extremely ill-timed.