

- Urgent  
 Action  
Required  
 For Your  
Information

# APA Practice Organization Action Alert

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**Date:** September 26, 2011

**To:** SPTA and Division Federal Advocacy Coordinators and APAGS Coordinators

**From:** Marilyn Richmond, J.D., Assistant Executive Director for Government Relations  
American Psychological Association Practice Organization

**Cc:** Katherine Nordal, Ph.D., Executive Director for Professional Practice  
SPTA Executive Directors, SPTA Directors of Professional Affairs and CAPP

**Re:** **Medicare Payment at Risk**

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**Your profession needs you to take action NOW to encourage your legislators to stand up and talk to their colleagues on the Joint Select Committee on Deficit Reduction to protect psychologist payments from steep Medicare cuts.**

## **Take Action!**

[Click here](#) to urge your Senators and Representative to stand up against steep Medicare cuts for psychologists

If you are not able to reach the Legislative Action Center from the above link, please visit <http://capwiz.com/apapractice/issues/alert/?alertid=53048676>. If possible, please take action by Friday October 7. Grassroots feedback is extremely helpful; if you receive a substantive response please email to [jcook@apa.org](mailto:jcook@apa.org).

## **What Is the Latest on This Issue?**

Enactment of the Budget Control Act has significantly altered the dynamics on Capitol Hill, as a newly empowered Joint Committee seeks to identify \$1.2 trillion in additional deficit reduction. If the committee fails to reach an agreement that can pass both chambers, Medicare provider payments would be cut by up to 2% in addition to the already pending 29.5% Sustainable Growth Rate (SGR) cut. Psychologists could face a triple hit because the 5% psychotherapy payment restoration, which we have won through several tough fights since 2008, is scheduled to expire at the end of 2012 if Congress fails to act.

Further complicating the picture, the Medicare Payment Advisory Committee (MedPAC), which was created by Congress for its advice in this area, will soon recommend replacing the SGR with an 18% cut to psychologists and other providers over the next three years followed by a payment freeze for seven more years. **There is a lot at stake – and psychologists cannot afford to be silent.**

Given the steep challenges we face, the APA Practice Organization is pushing forward in every forum available to us. Last week APAPO [provided testimony](#) before a hearing of the House Ways & Means Subcommittee on Health to press the case for our psychotherapy extender, which we are pleased has earned the support of the American Medical Association. We are working with allied provider organizations to make the case that psychologists and other health professionals are struggling in this economy and serving vulnerable patients who need and deserve access to quality mental health care. At the same time, psychologists have sent nearly 7,000 messages to the Hill on reimbursement already this year.

**We can't let up. Even if you sent a message earlier this year, we need you to do so again. Your profession needs you to take action NOW to ensure the Joint Committee and other members are reminded of these critical priorities.**

### **APAPO: Putting Your Practice Assessment to Work**

#### **Additional Background:**

## **CONGRESS SHOULD PROTECT MEDICARE MENTAL HEALTH PAYMENT**

**To ensure the viability of the Medicare outpatient mental health benefit, Congress should extend through 2012 the restoration of cuts to Part B mental health services made in 2007.**

***Mental Health Extender.*** Congress restored payments temporarily but they now need to be extended. Through the Medicare Improvements for Patients and Providers Act of 2008, Congress partially restored the cuts made by the Centers for Medicare & Medicaid Services (CMS) "Five-Year Review" through 2009. Subsequent laws then extended the restoration through December 2011. The valuation of psychotherapy codes in the 2011 Five-Year Review has been delayed into 2012. Congress should pass new legislation to extend payments through 2012, until the Five-Year Review is completed.

***Effect on Beneficiaries.*** Extending psychologist payments cut by the Five-Year Review is crucial to protecting access to Medicare mental health services. Psychologists and social workers provide almost all of the Medicare psychotherapy and testing services, but many have indicated that they may have to reduce their caseloads or leave Medicare if they are faced with these reimbursement cuts. The cost of protecting mental health services is very low, increasing costs by only \$30 million per year.

***Cut By MEI Rebasing.*** A CMS technical advisory panel will be asked to examine the effect of a 4% cut to Medicare part B reimbursement for psychologists in January 2011 due to "rebasing" of the Medicare Economic Index (MEI). In the 2011 fee schedule, CMS used more recent survey data that showed practice expense and malpractice became a larger share of the payment formula while provider's time became smaller. This increased payments for some services, particularly of professionals who utilize expensive technology. Due to budget neutrality requirements, CMS reduced other reimbursement work values, which hit services of psychologists and social workers the hardest because they are typically provided at lower cost and lower overhead.

***These cuts are not related to the Sustainable Growth Rate.*** Psychologists were saved from a second and even more devastating reduction when Congressional action halted the projected 25% SGR cut through December 31, 2011. Ultimately Congress must replace the flawed SGR formula with one that responsibly and permanently addresses provider payments.

***Psychologists will leave Medicare.*** In a 2008 survey, 11% of psychologists reported that they have dropped out of Medicare participation and a primary reason cited was low reimbursement rates.