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APA Practice Organization

Information Alert

Date: February 17, 2012

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: **Payroll Tax Law Results in Medicare Psychotherapy Payment Reduction**
Legislation Averts SGR Cut Scheduled for March 1

Congress passed payroll tax legislation today that **averts the Medicare Sustainable Growth Rate (SGR) payment cut of 27.4 percent** scheduled to take effect on March 1 for the remainder of 2012. However, the bill failed to include a provision to extend a Medicare psychotherapy payment boost of five percent, despite active advocacy by the APA Practice Organization (APAPO) and grassroots psychologists throughout the U.S.

As a result of the new law, which President Obama is expected to sign, psychologists and other mental health professionals will experience a **five-percent decline in reimbursement for Medicare outpatient psychotherapy services beginning March 1**.

The Centers for Medicare and Medicaid Services (CMS) slashed Medicare psychotherapy payment rates as part of its Five-Year Review in 2006. Since that time, professional psychology has succeeded in gaining four laws that restored five percent of the payment. Two-thirds of the resulting \$110 million in Medicare psychotherapy reimbursement has accrued to psychologists.

The latest victory occurred at the end of 2011, when Congress extended the payroll tax cut for two months through February 2012 and included the psychotherapy payment restoration in the legislation. Given the short time frame, psychology mobilized immediately to call on members of Congress to continue the payment restoration for the remainder of 2012.

Federal Advocacy Coordinators for the APA Practice Organization prompted grassroots psychologists nationwide to generate more than 8,000 emails to members of Congress. APAPO facilitated direct engagement of psychologists with their elected officials in face-to-face meetings on Capitol Hill and scores of phone calls with key members of Congress and their staff. These actions complemented our lobbyists' ongoing advocacy efforts on the Hill.

“We are grateful to our congressional allies who pushed for the provision and the many psychologists who took time from their practices to participate in the intensive campaign to advocate for their patients

and the profession,” said APAPO Executive Director Katherine C. Nordal, PhD. She observed that psychology faces an increasingly challenging environment in this election year with Congress embroiled in deep partisan divisions and facing budget challenges that put Medicare payment rates in peril.

APAPO is rapidly assessing prospects given today’s action on Capitol Hill. We are evaluating strategic approaches and potential legislative vehicles with our congressional allies in light of this distressing news.

We will continue to inform members about significant developments through our *PracticeUpdate* e-newsletter and other vehicles.