Department of Vermont Health Access (DVHA) Response to Public Comment received on Reimbursement for group psychotherapy

Please see proposed policy at http://dvha.vermont.gov/administration/90853-policy-final.pdf

Access to Providers:

Comment: In reviewing the proposed change, I suspect this will lead to significant access issues for patients and their families as well as trigger providers to consider whether or not to remain on Medicaid panel or take on new Medicaid patients.

Comment: I am writing to express opposition to the proposed reimbursement rate cuts for group therapy coding 90853. These cuts are troublesome for policy, for access, and for the overall healthcare system.

Comment: With the progressively diminishing rates of reimbursement I have two choices, either to stop leading groups or to stop including Medicaid recipients in my groups. With the two choices I've listed above one thing is certain: Medicaid clients will no longer have access to skilled group psychotherapy.

Comment: Many providers including myself may be unable financially to continue providing group services at these reduced rates.

Comment: The impact is not small and the providers of some of these groups are specialized and we may not be able to continue to run the treatment programming. Groups are often the best treatment modality for outcomes to care and in a rural area if we can't have the capacity and the payer mix to cover the cost we would not be able to offer the programming and this will be impact the long term outcome to clients (*sic*)

Response:

The Department Health Access (DVHA) has conducted a network adequacy analysis. We have concluded there is a sufficient access to services.

Reimbursement Rates:

Comment: The new rate effective July 1st of $41 per day to be further reduced to $20.50 per day in January of 2016 is far too low. Many providers including myself may be unable financially to continue providing group services at these reduced rates.

Comment: As a group therapist, if I were to relay on the proposed level of Medicaid reimbursement I would not be able to sustain my practice.

Comment: Again, a reimbursement rate of $20.50 for a group session is not going to cover my program costs. I would ask that you examine if there is an option to maintain the "15" units" at a rate of $5 per unit or continue to allow the $41 rate per day for group sessions. I would be happy to discuss this further. Thanks for your consideration.

Comment: One concern I have is that the provider impact of the January 1, 2016 RBRVS methodology rate does not appear to apply the Vermont Medicaid conversion factor of 2.0 times the RBRVS rate. Will the January 1, 2016 rate be $20.50 x 2 = $41.00 or will it be $20.50 per session? The potential implications for this drastic a cut will be significant and we in the provider community need to be certain what to expect.

Response:

The DVHA must come in to compliance with the approved Vermont state Medicaid plan.

The approved Vermont state Medicaid plan for reimbursement of professional services specifies that reimbursement of professional services to be based on the resource based relative value system (RBRVS). The system uses relative value units (RVUs) issued annually from CMS and multiplies them by a single Medicaid-specific Conversion Factor to derive a rate for an individual service (RVU*CF=RATE). RVUs are set based on a mathematical formula that uses data to derive relative valuation of each individual healthcare service. The formula uses utilization, physician effort, direct and indirect cost data to derive rates. The process is transparent and governed by federal proposed and final rule making.

The Medicaid conversion factor is derived based on the amount of legislatively allocated, aggregate dollars available to reimburse for professional services.

The Current RBRVS methodology based on 1/1/2015 policies and conversion factor would set the rate today at $20.50. The DVHA, understanding the impact this may have, has decided to implement by phasing the rate changes in two steps:

- **<u>7/1/2015</u>** – Update unit concept, where one unit = one session. (what 4 units was before will equal 1 unit now). $10.25 x 4 = **$41.00 rate**.

- **<u>1/1/2016</u>** – Update to current RBRVS methodology. **$20.50 rate.** (This is approximate based on 1/1/2015 policies; actual rate may be slightly different as RVUs are updated annually).

As of 1/1/2016, the reimbursement will no longer reflect the 2.0 times the RBRVS rate. Per our Medicaid State Plan, we have one single conversion factor used for that payment methodology, therefore bringing 90853 back into compliance with all of the other codes reimbursed under RBRVS.

<u>Length & Size of Group</u>:

Comment: Since some providers do run hour groups, and other run a group for an hour and a half and others run a group for two hours, can't you make a reimbursement system that covers each of those?

Comment: I would request that you revise your proposed payment schedule to reflect that most group therapy is 1.5 hour in duration (plus notes afterward) and not 1.0 hour. Reducing the available funding for a service, that often has greater propensity for promoting change within an individual, will direct the types of services being provided.

Comment: More than one group per day should be billable and permitted (given the barriers of transportation or various needs of an individual)

Comment: As of 7/1/2015: When looking at provider pay for time, you might want to consider not only the time spent in actual leading the group, but also all the time spent in prep, in follow up, and in time spent doing record keeping and insurance billing, and any collaborative care communications. Also note: Independent practitioners get no paid vacation, no paid sick days, no health insurance benefits, and have overhead to cover.

Response:

NSE: CPT 90853 – Group psychotherapy (other than of a multiple-family group)

The official current procedural terminology (CPT) definition of group psychotherapy (90853) is "Group psychotherapy (other than of a multiple-family group). The applicable "unit concept" associated with this CPT code is "one session" regardless of the duration of the session.

The time spent planning for a group session, arranging for services, providing reports and communicating with other health care professionals is not included in the length of the psychotherapy session. Such activity is considered part of the pre and post-service work already built into the psychotherapy codes.

Department of Vermont Health Access Rule 7301.2.1 states that group therapy is limited to no more than three sessions per week. Reimbursement is limited to one session per day per group and no more than 10 patients in a group.

Vermont Medicaid and billing providers have been incorrectly using the definition of CPT 90853 and therefore, have been out of compliance with these standards.

As part of the federal regulations related to coding compliance, Vermont Medicaid is required to follow the National Correct Coding Initiative (NCCI). The NCCI, "promotes national correct coding methodologies and reduces improper coding which may result in inappropriate payments of Medicare Part B claims and Medicaid claims". A medically unnecessary edit (MUE) of one session per day was issued on July 1, 2013 and Vermont Medicaid is required to adopt this standard.

To ensure Vermont Medicaid and enrolled providers are in compliance with these regulations, effective July 1, 2015, Vermont Medicaid will implement a MUE of one session per day for group psychotherapy (90853).