Like the rest of health care, psychology practice is in the throes of a sea change, thanks to forces set in motion by the Affordable Care Act, the Mental Health Parity and Addiction Equity Act, and other public and private influences. These changes – which aim to replace profit-based care with care based more on quality and value – promise to affect every aspect of the way care is delivered and paid for, according to experts.

“There is no question that the federal government is moving in the direction of [these kinds of] alternative treatment systems and alternative payment methods,” says Nancy Lane, PhD, senior vice president for population health management at Vanderbilt University Medical Center. To underscore the government’s sense of urgency, the U.S. Department of Health and Human Services is setting a goal this year of tying 30 percent of current Medicare fee-for-service payments to alternative payment models that focus on quality and value, and by 2018, to raise that bar to 50 percent.

The take-home message for psychologists? Now is the time to get educated on and involved in these changes, says Arthur C. Evans, PhD, commissioner of Philadelphia’s Department of Behavioral Health and Intellectual disAbility Services, who oversees services for approximately 600,000 Medicaid recipients in Philadelphia.

“Psychologists have to demonstrate how they can help payers save money and be more efficient in their use of service systems,” says Evans, “but also how they can add value and quality to the health care system.”

What’s more, psychologists have a potentially major role to play in crafting a new system that actually meets the ideals and goals the government is trying to set, Evans and others say. Getting a handle on the health care payment landscape now will help you better understand where the system is headed, fashion your practice in ways that are compatible with those trends, and add insight and expertise to new models that are emerging, these experts say.

The big picture

The good news is that health care changes are in line with the values and directions psychology has been taking for a long time, says Stuart Koman, PhD, founder, president and chief executive officer of Walden Behavioral Care, a practice dedicated to a whole-person approach to treating people with eating disorders and other psychiatric illnesses.

“There is an emerging understanding that providing adequate mental health care is essential to a healthy bottom line,” Koman says.

That understanding is fueled by statistics, which show that some 20 percent of the population uses about 80 percent of the health care dollars, and that they are likely to have mental health conditions along with physical ones, he says. Other factors that highlight the importance of and need for psychological services include the overwhelming opioid epidemic and a growing public awareness of how common mental health problems are.

“Very few families are untouched by mental illness,” as Koman puts it.

The Affordable Care Act and the Mental Health Parity and Addiction Equity Act recognize and address such factors, calling for expanded mental health and substance abuse coverage on both inpatient and outpatient levels, and barring discrimination for coverage based on pre-existing conditions, including mental illness. A bipartisan bill passed by the U.S. House of Representatives in June – H.R. 2646, the Helping Families in Mental Health Crisis Act – would support these developments by appointing an Assistant Secretary for Mental Health and Substance Use Disorders, who would help the federal government coordinate and highlight public mental health services.

In the private sector, managed care companies are moving in these directions as well, with the understanding that preventive care is less costly than acute care and that they need to square with the changes afoot under new models of health care delivery, says Pete Liggett, PhD, deputy director of long term care and behavioral health at the South Carolina Department of Health and Human Services. In interactions

Prep will help with the changes ahead.
with managed care providers across his state, he perceives they’re driven by a positive mission.

“They truly believe that their members deserve to get the care they need, and recognize that they can cut costs when their members get that care,” he says.

Another development worth paying attention to is health care research and development, says Vanderbilt University’s Tony Puente, PhD. Players from all parts of health care are busy creating and testing models that address the new paradigm in different ways. Names for such efforts include population-based care, patient-centered care and value-based care, and include terms that have been around for a while – integrated care, coordinated care and evidence-based practices, for example. People are also tinkering with a wide array of payment models that address cost and quality of care both on individual and systems levels. One example is the concept of bundled care, in which payment for a given condition – say a hip replacement – is delivered in a lump sum payment that is distributed among the care providers. On a large scale, the Medicare Access and CHIP Reauthorization Act of 2015, or MACRA, is creating a new quality-based payment framework for physicians that will be rolled out in stages. The APA Practice Organization is advocating to define psychologists as physicians within this framework.

Undergirding these and related efforts is a thrust toward better, more holistic care for everyone, including the underserved and the elderly. For example, some new models seek to bring health care services to the homes of elderly people whenever possible, while Medicaid is offering payment incentives to providers to work with underserved populations.

Bringing many of these forces together is an entity called the Center for Medicare and Medicaid Innovation, created as part of the Affordable Care Act. It is charged with developing new payment and service delivery schemes in line with health care’s new foci, and as of August, had some 75 projects in the pipeline.

Of particular interest to psychologists is the Health Care Payment Learning and Action Network, part of the innovation center that brings together private payers, providers, employers, state partners, consumer groups, individual consumers and others in a nation-wide effort to accelerate the transition to these new models. Anyone is welcome to join – both individuals and organizations – and the network convenes regular webinars as well as an annual in-person meeting (visit https://innovation.cms.gov/initiatives/Health-Care-Payment-Learning-and-Action-Network/ for more).

The network, along with other center innovation projects that seek input, offer an incredible opportunity for psychologists to make a difference. “Psychologists should absolutely consider getting involved in these efforts,” says Lane.

**Being a part of it**

There are many ways to proactively seize the opportunities presented by health care reform, both in relation to your own practice and to help improve the system, experts agree. They suggest that you:

**Stay current.** Because things are changing so quickly, it’s more important than ever to keep up with new developments, experts say. That includes staying educated on changes in diagnostic and procedural coding, keeping up with evidence-based interventions that are relevant to your specialty areas and remaining savvy to needs within the health care system.

It is also increasingly important to use health care technology that facilitates accurate patient and payment data. Being “on board” in such ways is an essential aspect of successfully navigating the new health care landscape, experts agree.

It is also likely that some psychology-related billing codes will undergo revisions in the fairly near future, as will billing codes for many other providers, says APA and Practice Organization President-elect and coding expert Tony Puente, PhD.

These changes “reflect the very fast pace at which the entire health care system is going – it’s a sign of the times,” Puente says. As psychologists become increasingly integrated into the health care system and part of its reimbursement landscape, it’s of utmost necessity that they understand, attend to and properly use both diagnostic and procedural codes, for their own sake and that of their clients and the system, he says.

**Consider new career paths.** Early-career psychologists in particular should strongly consider entering emerging areas with long-term potential, such as joining integrated-care teams and other innovative care systems. They should also think about working in rural areas and low-income communities and neighborhoods, says Leighton Ku, PhD, MPH, professor and director of the Center for Health Policy Research at George Washington University.

“There continues to be a big geographic maldistribution of medical and mental health care, but especially mental health care,” he says. HHS is attempting to attract more behavioral and health care providers to underserved areas through programs like the National Health Service Corps and the Community Health Center programs. Medicare and other HHS programs also include financial incentives to work in such settings, he says.

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**Practice Forecast  continued from page 4**

**Develop market-savvy niches.** Specialty niches continue to be a key vehicle for successful psychological practice, and that is increasingly the case for niches related to health conditions. As psychologists become more involved as members of integrated-care teams, for instance, there are ample opportunities to demonstrate how psychology can improve health in evidence-based ways. That includes everything from behavioral strategies to help people quit smoking or get better sleep, to helping people cope with effects of chemotherapy, to name some examples. Communicating psychology’s effectiveness in such domains, underscores Evans, is also prime material for advocacy.

**Assume leadership roles.** Psychologists should also be thinking about using their unique professional skills – assessment, measurement and evaluation – in leadership and administrative roles. These include roles that blend psychologists’ interest in social justice, science and quality of care – for example, designing systemic strategies to reduce health disparities and improve health equity, Evans says.

Aim high, agrees Vanderbilt Medical Center’s Lane.

“Don’t be afraid of politics or administration or anything else,” Lane advises. “While these roles are not necessarily what psychologists are immediately drawn to,” they provide a fantastic opportunity to observe and influence the bigger picture of health care delivery, she says.

“You can get in there,” emphasizes Lane, “and you can make a difference.”

Written by Tori DeAngelis

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**Why is It Hard to Talk about Money?  continued from page 5**

If you are in private practice, you face another side of the money taboo. As both business owner and caregiver, you must talk about your own financial needs with patients in so far as you must discuss payment policies and collect payments.

“In the context of the clinical relationship, it may seem that you are talking about your personal wants and needs instead of focusing on the patient,” says Jeff Zimmerman, PhD, ABPP, of The Practice Institute, which provides consulting services and management tools for behavioral health practices.

“The business side of the relationship, however, should not be personal either to you or to the patient. It is about the professional service relationship between you.”

Zimmerman, who is the co-author of *Financial Management for Your Mental Health Practice: Key Concepts Made Simple* with Diane Libby, CPA, recommends adopting the following well-established small business practices that professionalize and depersonalize the business side of private practice.

**Have clearly defined policies.** Decide what types of payment or insurance you will accept; when payment is due and if checks may be post-dated; what you will do in case of a missed payment; under which circumstances, if any, will you permit late payments or missed appointments, etc. These policies should be in writing.

**Talk about policies during intake.** Intake is the appropriate time to talk with new patients about their financial responsibilities as well as their treatment responsibilities.

**Planning and metrics.** Well-run businesses follow structured business plans and measure results. Metrics can be simple, for example, tracking the income from different revenue sources, your overhead costs and your ultimate earnings.

**Improve your own financial health.** Make sure you are taking care of yourself financially, including having money set aside for emergencies and saving for your retirement.

Few psychology graduate programs teach basic business practices. Many psychologists seek mentorship from a well-established peer. The Small Business Administration (sba.gov) offers free webinars on topics such as writing a business plan, creating a savings plan and basic marketing strategies. For complex legal and accounting questions, ask an expert. You’ll find it is easier to talk comfortably about financial policies the better you understand them.

Written by Sherry Delaney

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**Self-Reflection: Viewing Yourself as More Than a Psychologist  continued from page 21**

Not only did these five psychologists challenge their own professional self-perceptions, they challenged the perceptions of their peers. Some colleagues were not supportive.

“It was not without its pain,” Benton recalls. Some peers accused her of “selling out” for money. Still she is happy with her choices, and with the knowledge that fewer college students in crisis will find themselves on counseling wait lists thanks to her work.

Written by Sherry Delaney