



ILLINOIS PSYCHOLOGICAL ASSOCIATION

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AMERICAN
PSYCHOLOGICAL
ASSOCIATION
PRACTICE ORGANIZATION

By Email and Regular Mail

April 4, 2012

Director Andrew Boron,
Illinois Department of Insurance
James R. Thompson Center
100 W. Randolph, Suite 9-301
Chicago, Illinois 60601-3395

Dear Mr. Boron,

We wish to thank the Department of Insurance for assisting Illinois citizens at the end of 2010 when it directed BCBSIL to stop requiring preauthorization of all outpatient psychotherapy sessions. When the Department corrected this mental health parity issue, it improved access to mental health care for thousands of Illinois citizens.

The Illinois Psychological Association (IPA), joined by the American Psychological Association Practice Organization (APAPO), is now seeking your office's assistance regarding another parity issue, this time involving Humana and its subsidiary LifeSynch. Our parity concern is that LifeSynch announced new provider contracts that dramatically reduced reimbursement rates for psychologists, by as much as 66%. Because of the close connection between adequate network reimbursement rates and patient access to mental health care, the Interim Final Rules (IFR) implementing the federal Mental Health & Addiction Equity Act of 2008 (MHPAEA) requires parity in "standards for provider admission to participate in a network, including reimbursement rates."

We understand that the new Humana/LifeSynch rates for the most common therapy procedure code are the lowest rates paid to psychologists by any major private health insurer nationwide - \$58. Overall, Humana's rates for psychologists are about 50% below the fees of other private insurers in the state. We are aware of no Humana rate cuts for medical/surgical services in Illinois.

We are concerned that these slashed rates will severely impact patient access to mental health care. IPA's psychologists have dedicated their careers to serving Illinois citizens with mental health issues, often a defenseless and emotionally vulnerable population. But many psychologists cannot afford to continue serving Humana patients at these rock bottom rates – an informal survey of IPA's members indicates that about 50% chose not to sign the new contracts. Last week, LifeSynch began sending 90-day termination notices to those psychologists.

Our concerns about patient access to care are not speculative. We understand that a similar Humana fee cut in Ohio caused considerable disruption to patients' access to services. The Ohio Psychological Association reports a significant decimation of the network, and patients are having difficulty finding a provider who can accept them. Humana/LifeSynch then confused patients by continuing to list many providers who were dropped from the network. A similar rate cut by BCBS of Florida caused major disruptions for mental health patients in Florida. An extensive survey of Florida psychologists shows that 69% report disruption in their patients' care and 64% report patients dropping out of treatment. We will gather information for the Department as the effects of Humana's cut in Illinois begin to impact patients.

We ask that the Department investigate whether Humana's drastic cut in mental health reimbursement rates – and their disparate impact on Illinois mental health patients -- are a parity violation, and ask the Department to again take action to protect that vulnerable population.

Further Details Regarding the rate cut and transition to LifeSynch

Last October, Humana announced a transition (Transition) whereby its subsidiary LifeSynch would manage behavioral health and substance abuse networks on behalf of Humana, Humana Health Value Management, Inc. d/b/a ChoiceCare Network and Corphealth, Inc. The Transition affects commercial, Medicare Advantage, and EAP services.

All psychologists are being switched to LifeSynch contracts. For psychologists who had contracts with Humana before the Transition, the new reimbursement rates are approximately 66% lower for procedure code 90801 (psychiatric diagnostic interview) and 42% lower for the most common procedure code for psychologists: 90806 (45-50 minutes of therapy). Psychologists who had pre-Transition contracts with LifeSynch were already reimbursed at lower rates than their colleagues with Humana contracts. The rate cut brought both groups (Humana contracts and LifeSynch contracts) down to the nationwide low of \$58 for 90806.

Humana/LifeSynch exacerbated the dramatic rate cut in two ways. First, IPA members report that Humana was unresponsive to critical questions about the Transition, such as whether the company could provide assistance to patients who needed to find a new psychologist, and whether it would be willing to negotiate short-term, single patient agreements to allow patients to finish care with their psychologist leaving the network. Second, Humana/LifeSynch gave almost no consideration to the importance of retaining psychologists who fill important gaps in the mental health network (geographically or by specialty) in order to maintain adequate access to care. IPA is only aware of the companies showing such flexibility in a single instance.

Parity requirements

As noted above, the Interim Final Rules implementing the federal parity law specifically list “standards for provider admission to participate in a network, including reimbursement rates” as one of the non-quantitative treatment limitations that must “comparable” to the same limitation for medical/surgical services. (29 CFR Section 2590.712(c)(4)(ii)(C)). We are aware of no Humana cuts for medical/surgical services, much less cuts that are “comparable” in terms of the magnitude of the cut or bringing the rates far below the competition.

We are concerned that Humana's extremely low mental health reimbursement rates will cause Humana's mental health patients to suffer significant access to care problems not felt by Humana's medical/surgical patients. If the DOI does not enforce the IFR provision cited above, we are concerned that Humana and other insurers will circumvent all other mental health parity

protections simply by slashing provider reimbursement rates to such a low level that mental health patients will have extremely limited access to mental health care. On paper, Humana could have care that looks “comparable” to what medical/surgical patients enjoy. But if patients have great difficulty finding a qualified and experienced mental health professional, other parity protections will be meaningless.

We respectfully request that you investigate and take necessary action regarding these concerns for the sake of Illinois mental health consumers.

Sincerely,



Terrence Koller, Ph.D, ABPP
Executive Director
Illinois Psychological Association



Katherine C. Nordal, Ph.D
Executive Director for Professional Practice
American Psychological Association

cc: Mr. John Johnson, Field Vice President, Humana