



AMERICAN
PSYCHOLOGICAL
ASSOCIATION
PRACTICE ORGANIZATION

February 12, 2014

The Honorable Fred Upton
Chair
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Henry Waxman
Ranking Member
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

The Honorable Dave Camp
Chair
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Sander Levin
Ranking Member
Committee on Ways and Means
U.S. House of Representatives
Washington, DC 20515

The Honorable Max Baucus
Chair
Committee on Finance
United States Senate
Washington, DC 20510

The Honorable Orrin Hatch
Ranking Member
Committee on Finance
United States Senate
Washington, DC 20510

Dear Chairmen Upton, Camp, and Baucus, and Ranking Members Waxman, Levin, and Hatch:

On behalf of the American Psychological Association Practice Organization (APAPO), I am writing to express our support for your legislation, the “SGR Repeal and Medicare Provider Payment Modernization Act of 2014” (H.R. 4015/S. 2000). We urge Congress to pass this legislation, both to provide for a more responsible payment system and to prevent the roughly 24 percent cut in Medicare reimbursement rates scheduled to occur on April 1, 2014, under the “sustainable growth rate” (SGR) formula. The APAPO is dedicated to advancing the practice of psychology, and represents the interests of doctoral-trained psychologists, who are licensed health care professionals. The APAPO is affiliated with the American Psychological Association (APA), the largest membership association of psychologists, with more than 137,000 members and affiliates engaged in the practice, research, and teaching of psychology.

Congress has a rare window of opportunity to permanently repeal the SGR, after many years of short-term patches and postponements, and continued uncertainty regarding payment rates for Medicare providers and beneficiaries. In addition to removing this

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failed component of Medicare's payment formula, the Act should foster the development of new payment and delivery systems which look to improve patient care and restrain cost growth. We support the legislation's 0.5 percent increase in payment rates for the next five fiscal years, which is a great improvement over the potentially devastating SGR cuts that Medicare providers have had to face over the past several years.

While we are fully supportive of repeal and replacement of the flawed SGR formula, we again remind the committees that Medicare's underlying payment system is not working to ensure that psychologists are paid appropriately and fairly. Payments to clinical psychologists under Medicare have declined roughly 27 percent in the last six years, and the reimbursement rate for the most common mental health service (a 45-minute psychotherapy service) has declined by more than 35 percent since 2001, adjusted for inflation. Psychologists and other mental health professionals provide services that have low overhead and that are predominantly time-based, characteristics which have served to erode their Medicare reimbursements relative to those of other providers. Congress must address the underlying problems with Medicare's physician payment formula to ensure that beneficiaries have adequate access to outpatient mental health services. We hope to work with your committees later this year to develop legislative solutions to this serious deficiency in Medicare's payment system.

We support passage of this legislation in order to permanently repeal the SGR. However, we believe it can be significantly improved by incorporating legislative language introduced by Senators Sheldon Whitehouse (D-RI) and Rob Portman (R-OH), and Rep. Tim Murphy (R-PA), to make psychologists and other behavioral health service providers eligible for incentive payments for meaningful use of electronic health records (EHR). Behavioral health service providers are currently ineligible for such payments, hampering the widespread use of up-to-date information technology in the provision of these vitally important services. We note that the legislation incentivizes, and in some cases, assumes, health care professionals' use of electronic health records. As an example, the Act defines "eligible alternative payment models" as requiring the use of EHR technology. Clearly, the use of EHR must be expanded to encompass behavioral health interventions if Medicare service delivery system improvement is to achieve its potential.

We also believe the bill should include provisions for the establishment of new Healthcare Common Procedure Coding System (HCPCS) payment codes for mental health care coordination that can be used by psychologists, who cannot bill using evaluation and management codes. We encourage the adoption of language to require the Secretary of Health and Human Services to develop at least one mental health care coordination code, and to explicitly include clinical psychologists as applicable providers for the coordination of care management services. Finally, we strongly support the five year, ten state demonstration program to strengthen and improve community behavioral health systems in the legislation as approved by the Senate Finance Committee. APAPO has long joined other major mental health advocacy organization in promoting the "Excellence in Mental Health Act" introduced by Senator Debbie Stabenow (D-MI), which served as the basis for her amendment.

We applaud your work in developing the SGR Repeal and Medicare Provider Payment Modernization Act, and urge its passage. We would greatly appreciate the opportunity to work with your committees on Medicare's provider payment system, as we believe that further improvements are needed—beyond those included in the Act—to more appropriately support mental health service use and accessibility. Please call or email Doug Walter, J.D., Acting Associate Executive Director, Government Relations, at (202) 336-5889 or dwalter@apa.org should you have any questions regarding our comments or wish for further assistance.

Sincerely,

A handwritten signature in dark ink that reads "Katherine C. NORDAL Ph.D." with a stylized flourish at the end.

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