

ALASKA STATE LEGISLATURE
SENATE HEALTH, EDUCATION AND SOCIAL SERVICES STANDING COMMITTEE

January 25, 2006

1:32 p.m.

MEMBERS PRESENT

Senator Fred Dyson, Chair
Senator Gary Wilken, Vice Chair
Senator Lyda Green
Senator Kim Elton
Senator Donny Olson

MEMBERS ABSENT

All members present

COMMITTEE CALENDAR

SENATE BILL NO. 177

"An Act eliminating the requirement that persons using titles or descriptions of services that incorporate the terms 'psychotherapy,' 'psychotherapeutic,' or 'psychotherapist' be licensed by the Board of Psychologist and Psychological Associate Examiners."

HEARD AND HELD

PREVIOUS COMMITTEE ACTION

BILL: SB 177

SHORT TITLE: PRACTICE OF PSYCHOLOGY

SPONSOR(s): HEALTH, EDUCATION & SOCIAL SERVICES BY REQUEST

04/15/05	(S)	READ THE FIRST TIME - REFERRALS
04/15/05	(S)	HES, L&C
04/20/05	(S)	HES AT 1:30 PM BUTROVICH 205
04/20/05	(S)	Scheduled But Not Heard
01/25/06	(S)	HES AT 1:30 PM BUTROVICH 205

WITNESS REGISTER

Anne Henry, Chair
Board of Professional Counselors
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community & Economic Development
PO Box 110800
Juneau, AK 99811-0800

POSITION STATEMENT: Supported SB 177.

John Miller, Ph.D., Chair
Board of Psychologist and Psychological Associate Examiners
Division of Corporations, Business, and Professional Licensing
Department of Commerce, Community & Economic Development
PO Box 110800
Juneau, AK 99811-0800

POSITION STATEMENT: Supported SB 177.

ACTION NARRATIVE

CHAIR FRED DYSON called the Senate Health, Education and Social Services Standing Committee meeting to order at [1:32:39 PM](#). Present were Senators Donny Olson, Kim Elton, Gary Wilken, Lyda Green, and Chair Fred Dyson.

SB 177-PRACTICE OF PSYCHOLOGY

CHAIR DYSON announced SB 177 to be up for consideration. He informed members that the purpose of the bill was to bring statute in accordance with regulation with regard to the nomenclature used by mental health practitioners. [In committee packets was a proposed committee substitute, version G, labeled 24-LS0893\G, Mischel, 1/17/06.]

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ANNE HENRY, Chair, Board of Professional Counselors, said she and John Miller, chair of the Board of Psychologist and Psychological Associate Examiners, have worked with other members of the mental health community to expand the categories of mental health practitioners allowed to use the terms "psychotherapist," "psychotherapeutic" and "psychoanalyst" to describe their professional practices.

CHAIR DYSON asked whether members of the community of mental health providers have reached a consensus regarding the use of those terms.

MS. HENRY replied that they have reached a consensus.

CHAIR DYSON asked her to describe the history of the problem that the bill intends to solve.

MS. HENRY replied that when the board was established, it limited the categories of practitioners legally permitted to use

the aforementioned terms in the interest of public safety. Since that time, Medicaid regulations have allowed several different groups, including Licensed Professional Counselors (LPCs) and Marriage and Family Therapists (MFTs), to use these terms to describe their practices. Since the original limitation language remains in statute, many of these groups, including LPCs and MFTs, are prevented from using these terms.

SENATOR GREEN moved to adopted CSSB 177(HES), version G, labeled 24-LS0893\G, Mischel, 1/17/06, as the committee's working document. There were no objections and it was so ordered.

SENATOR OLSON asked whether passage of this bill could create changes in the amount of Medicaid reimbursement that the state receives.

MS. HENRY replied that it would not create any such changes because Medicaid already recognizes all of the disciplines that would be allowed.

SENATOR WILKEN referenced an April 16, 2005, letter from Pam Watts to Chair Dyson, prompting the question of whether the reclassification of terms would create additional Medicaid services and increase the state's Medicaid budget.

MS. HENRY responded that the bill would not create additional Medicaid services because it only applies to categories of mental health providers already covered by Medicaid.

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SENATOR GREEN asked whether the practitioners within different disciplines receive different rates of Medicaid reimbursement.

MS. HENRY advised that Medicaid reimbursement is \$85 an hour regardless of the discipline of the practitioner or the level of education required to achieve licensure to practice in a given discipline.

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SENATOR GREEN remarked that the committee might benefit from a chart showing the qualifications of different practitioners relative to their typical rates. She asked whether a private health carrier would have to recognize an LPC or MFT as a psychologist if the bill were to become law.

MS. HENRY offered to provide the committee with a chart showing a matrix of the requirements for licensure in the four disciplines. She said she could not give a concise answer to the question about the private sector.

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CHAIR DYSON asked if he was correct in his understanding that a psychiatrist is a medical doctor specializing in mental health and a psychologist is a mental health worker with a Ph.D.

MS. HENRY affirmed that.

CHAIR DYSON asked whether the rest of the aforementioned practitioners are qualified by a master's degree.

MS. HENRY replied yes.

CHAIR DYSON asked if the reclassification of terms would entitle some practitioners to additional third-party payments from private insurance companies.

JOHN MILLER, Ph.D., Chair, Board of Psychologist and Psychological Associate Examiners, replied that the bill only pertains to practitioners that are already Medicaid providers.

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CHAIR DYSON reiterated his question of whether private-sector practitioners would be able to use the aforementioned terms to qualify themselves for additional third-party payment from private insurers.

DR. MILLER replied that SB 177 would not enable them to receive additional payment from third-party insurers.

CHAIR DYSON asked if there are insurance companies that make coverage decisions based on the titles of practitioners and, if so, whether passage of the bill would allow practitioners to change their titles to receive additional reimbursement from insurance companies.

DR. MILLER replied no, because insurance companies do not make coverage decisions based on the terms "psychotherapy," "psychotherapist" or "psychoanalyst," but make them on the basis of the type of license that a practitioner holds.

SENATOR GREEN referenced the following paragraph from the April 16, 2006, letter from Pamela Watts:

For Alaskans, this would mean greater access to needed services, often at less cost to them than they currently might pay. They could receive mental health services, and have greater opportunity to use their own insurance to cover those services provided by agencies and providers qualified to perform them.

She asked Ms. Henry to clarify whether the aforementioned paragraph indicated that practitioners would receive additional third-party payments under this bill.

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MS. HENRY replied that she does not know of any insurance company that reimburses payment for a type of treatment on the basis of its title. She said when an insurance company makes a coverage decision, it does so on the basis of the license held by the practitioner, rather than on the title of the treatment. Since the bill would have no effect on the types of licenses issued by the board, it should not have an effect on coverage decisions made by insurance companies.

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CHAIR DYSON thanked both Ms. Henry and Dr. Miller and asked them to excuse the skepticism that the committee has gained from the constant bombardment from people trying to use whatever means necessary to gain access to third-party payments. He said he appreciates their efforts. He added that his wife, who is retired, held one of these licenses; while he does not believe this represents a conflict of interest, he wished to mention it for the record.

[2:02:17 PM](#)

CHAIR DYSON set aside the public hearing on the content of SB 177 in order to hear the comments of the witnesses on the proposed combination of the LPC and MFT boards.

SENATOR OLSON asked whether combining the boards could have any foreseeable impact on the rates for malpractice insurance in the state.

MS. HENRY replied it is unlikely that it would have a negative impact on the rates.

DR. MILLER surmised that, if anything, it might help many practitioners with their malpractice rates because the terms "psychotherapist" or "psychotherapy" likely appear in their insurance policies and they cannot apply these terms to themselves under current statute.

SENATOR OLSON asked if combining the boards could raise the board fees paid by practitioners.

MS. HENRY replied that that board fees could increase if the boards were combined, because the larger board would have at least as many meetings as the smaller boards and the meetings would cost more because of the larger size. She did not see how combining the boards could protect public safety any more effectively than the existing separate boards.

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DR. MILLER noted, if the boards were combined into one, its members would be subject to the cost of disciplinary actions taken against members of the other discipline. He said it is unfair to expect individuals to pay for the mistakes of the members of a separate discipline.

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CHAIR DYSON said he recognizes that requiring boards to pay for their own administration has created a dilemma for the state. While the state is concerned about the aforementioned situation, it does not want to create a disincentive for responsible disciplinary practices.

He continued, saying one of the boards had more investigations, arguably because it was more professional, and this caused board fees to go up. As a consequence, new graduates moving into the state are choosing to be licensed by the board with lower fees, thus causing the arguably more professional board to further suffer because of its professionalism. He asked the witnesses if it is possible to arrange things so the responsible whistleblowers wouldn't have to assume the entire cost of their police actions.

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MS. HENRY added that the difference between the boards may be explained by the fact that when one board was established, it grandfathered in a large group of people who were ineligible to qualify for either psychology or social work licenses; as a result, a lot of problematic people were licensed. She surmised that the other, seemingly less professional board might have had fewer disciplinary actions because it was established later, when many of these people were already licensed.

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SENATOR ELTON voiced appreciation for the work of the witnesses.

CHAIR DYSON held SB 177 in committee.

CHAIR DYSON adjourned the Senate Health, Education and Social Services Standing Committee meeting at [2:18:53 PM](#).