

ALASKA LEGISLATURE COMMITTEE FILES, 1989-1990 8672  
6246 SENATE HEALTH, EDUCATION AND SOCIAL SERVICES

650

It has come to my attention that Senate Bill 29, which would provide Medicaid payments to psychologists, has been sitting idle in Committee for some time. This is an extremely important bill & immediate action should be taken to ensure its passage into law.

Crystal Shenlevers

APR 06 1989

L. Magowan  
17931 Anch AK  
Anch AK  
99575 -



America the Beautiful USA 15

Paul Fischer  
Box V  
Juneau, AK  
99811

I support passage of  
S-29 for Medicaid  
payment, to ~~support~~ physicalists

Laura Mayowa

W. Underwood  
Box 2282  
Fairbanks, Ak 99701

FAIRBANKS, AK  
PM  
30 MAR  
1989



America the Beautiful USA 15

Senator Paul Fisher  
Alaska State Legislature  
P.O. Box 4  
Juneau, Ak. 99811

or Senator Fischer

Mental Health Trust Land Funds  
could be used to benefit the elderly who  
suffer from Alzheimer's or related dementias.  
As included in the governor's budget,  
\$5,500 for day care, 127,500 for respite  
care, and \$50,000 for training. This is  
a less expensive than long-term  
nursing home care.

Sincerely,  
Patry H. Anderson



America the Beautiful USA 15

Paul Feske,  
PO Box 1 V  
Juneau, AK 99811

please pass the Senate  
Bill S-29 111 Please  
allow the <sup>xxx</sup> medicare  
payments.

Donna Carlo





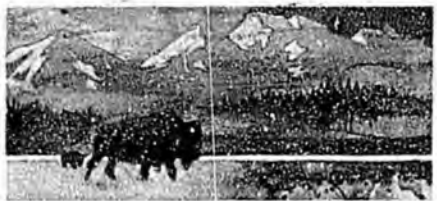
America the Beautiful USA 15

Paul Fischer  
Box V  
Juneau, AK 99811

I support the passage  
of "SB 29!!"

I believe medicaid  
recipients should be  
allowed a choice.

Please, don't just sit on  
it & start to do something  
about it! Sincerely, <sup>Jayne</sup>  
Auman



America the Beautiful USA 15

Sen. Paul Fisher  
P.O. Box V  
Juneau, AK 99811

Dear Senator Fisher -

Please support Senate Bill 29  
through your committee.

Thanks,

Terri Locke  
4541 E. 6<sup>th</sup> Ave.  
Anch AK 99508



America the Beautiful USA 15

Sen. Paul Fischer  
P.O. Box V  
Juneau, AK, 99811

Please support  
it in committee.

S29 AND MOVE  
It's important

David a Fletcher

DAVID FLETCHER

4641 MT View Dr

ANCH. AK.

Alaska State Legislature FEB 09 1989



2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

While in Juneau  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3818

SENATOR  
ARLISS STURGULEWSKI  
Senate President Pro Tempore  
Chairman, Senate Rules Committee

Senate

M E M O R A N D U M

February 9, 1989

TO: Senator Paul Fischer, Chairman  
Senate Health, Education, and Social Services Committee

FROM: Senator Arliss Sturgulewski, Chairman  
Senate Rules Committee

RE: SB 29 "An Act relating to psychologists' services under the state medical assistance program; and reordering the priorities for eliminating coverage under medicare."

Senate Bill 29 would provide for the enrollment of psychologists as providers under the Alaska Medicaid program.

I would appreciate your consideration of this bill for scheduling before the Senate HESS Committee.

Frank Homan of my staff will provide your office with background information. Thank you.

Attachment

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

P.O. BOX D-LIC  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2534

### DIVISION OF OCCUPATIONAL LICENSING

August 16, 1988

Honorable Arliss Sturgulewski  
Alaska State Senate  
3111 C Street, Ste. 540  
Anchorage, AK 99503

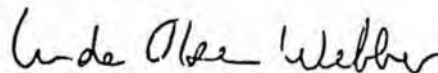
Dear Senator Sturgulewski:

The Alaska Board of Psychologist and Psychological Associate Examiners appreciates and applauds your desire that quality mental health services be made available to as many Alaska citizens as possible.

The board has noted that the State of Alaska has a policy of making psychologists (Ph.D diploma) and psychological associates (Master's diploma) ineligible to receive Medicare and Medicaid payments. Psychologists and psychological associates are, in fact, qualified to deliver many of the same mental health services currently available for Medicaid or Medicare reimbursement only if provided by psychiatrists (i.e., medical doctors). If psychologists and psychological associates were eligible for payment under Medicare or Medicaid, there would be a significant change in the number of providers available to assist those of the low income population who need mental health services. Currently, there are often no services available or there are long waiting lists at clinics which accept Medicare/Medicaid patients.

The board would appreciate any assistance you may be able to provide Alaska's licensed psychology professionals in becoming eligible to receive payments from Medicare and Medicaid for the counseling services they provide.

Sincerely,



Linda Oslen-Webber, Ph.D.  
Secretary  
Board of Psychologist and  
Psychological Associate  
Examiners

LOW/WF/1t9771t  
081088a





**ALASKA  
TREATMENT  
CENTER**

Medical Rehabilitation Services

April 10, 1989

Arliss Sturgulewski  
Capitol Room 427  
Senate  
P.O. Box V  
Juneau, Ak 99811

Dear Senator Sturgulewski,

I am writing in support of your Senate Bill 29 which provides for the inclusion of professionals license<sup>d</sup> under the Board of Psychologists and Psychological Associate Examiners to become enrolled providers under the Alaska Medicaid Program.

I am a clinician and the Program Manager in the Pediatrics' Program at the Alaska Treatment Center. We have a PhD. level child psychologist on our staff who adds tremendously to the services we offer families and special needs children. Very often the psychologists' care enhances the other services offered to these families and always makes these other services (physical therapy, speech-language therapy and occupational therapy) more effective. We frequently find that emotional issues must be taken care of in order for our families to be able to focus on other therapy needs their child may have.

I applaud your effort to include funding for these professionals' care under the Medicaid Program.

Sincerely,

*Sandra McKinnis*

Sandra McKinnis, M.A., CCC  
Speech-Language Pathologist  
Program Manager, Pediatrics

# Alaska State Legislature



2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

SENATOR  
ARLISS STURGULEWSKI  
Senate President Pro Tempore  
Chairman, Senate Rules Committee

While in Juneau  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-3818

## Senate

M E M O R A N D U M

March 23, 1989

TO: Senator Paul Fischer, Chairman  
Senate Health, Education & Social Services Committee

FROM: senator Arliss Sturgulewski *AS* Chairman  
Senate Rules Committee

RE: SB 29 "An Act relating to psychologists' services under  
the state medical assistance program."

I appreciate your courtesy in allowing Dr. Paul Craig to testify on this bill when he was in Juneau. After his testimony, the Department of Health and Social Services revised the fiscal note. The revised fiscal note is now available and has been delivered to your office. Because of the lateness of the session, I would request an early hearing on this bill before the Senate Health, Education and Social Services Committee.

Thank you for your consideration.

# Alaska State Legislature



SENATOR  
ARLISS STURGULEWSKI  
Senate President Pro Tempore  
Chairman, Senate Rules Committee

2957 SHELDON JACKSON STREET  
ANCHORAGE, ALASKA 99508

Juneau  
P.O. BOX V  
JUNEAU, ALASKA 99811  
(907) 465-5818

## Senate

M E M O R A N D U M

March 16, 1990

TO: Senator Paul Fischer, Chairman  
Senate Health, Education, and Social Services Committee

FROM: Senator Arliss Sturgulewski  
Senate District F

RE: SB 29 "An Act relating to psychologists' services under the state medical assistance program; and reordering the priorities for eliminating coverage under medicare."

I appreciated the discussion regarding SB 29 and would like to follow up with a formal request for a HESS Committee hearing.

I am very encouraged by the new position paper and support for this legislation. I have attached a copy for your files. Senate Bill 29 would solve an ongoing problem for the Department of Health and Social Services and treat all psychologists equally.

Thank you for your interest in this legislation.

Enclosure

Alaska State Legislature



State Senate

Senator Paul Fischer  
Senate District D  
Box 784  
Soldotna, Alaska 99669  
(907) 262-9420 W  
262-9269

Copy

While in Juneau  
P.O. Box V  
Juneau, Alaska 99801  
(907) 465-3791

4/11/89

Kathleen Dinius  
P.O. Box 4158  
Soldotna, Ak 99669

Dear Kathleen:

Thank you for your p.o.m. regarding Senate Bill 29. This bill did have a brief hearing on March 9, 1989 in which Dr. Paul Craig testified before the Senate HESS Committee on the merits of this bill. This bill will be scheduled for another hearing during the week of April 17th - 21st in the HESS Committee.

The Dept. of Health and Social Services has submitted two fiscal notes on this bill. This first fiscal note was higher than the second (Revised) fiscal note. None the less, this bill is going to cost the state money for a new program. While money will come in part from the federal government, state general funds will also be needed to fund this program.

While I am not necessarily opposed to this bill, it does require additional state spending for a new medicaid program. And, as you are aware, this is a deficit year in which it will be very difficult to maintain existing programs. The social benefits of this bill will have to be balanced with fiscal realities in state spending.

Kathleen, thanks again for your comments on SB 29, and I will take them under consideration in the future.

Cordially,

Senator Paul A. Fischer

PAF/dcm

Sent  
4/12/89

PUBLIC OPINION MESSAGE

DEAR: SENATOR FISCHER

APR 07 1989

NAME: KATHLEEN DINIUS  
TITLE: LICENSED PSYCHOLOGIST  
ADDRESS: PO BOX 4158  
CITY: SOLDOTNA  
PHONE: 262-1260  
CALL NO: SB 2?

ZIP: 99669

SUBJECT: MEDICAID PAYMENT FOR PSYCHOLOGISTS  
MESSAGE: I URGE YOUR SUPPORT OF SB29 TO INCLUDE COVERAGE OF PSYCHOLOGISTS BY  
MEDICAID. CURRENTLY MEDICAID CLIENTS IN NON-CITY AREAS HAVE NO ALTERNATIVES OR  
CHOICES FOR PSYCHOTHERAPY SERVICES WHEN MENTAL HEALTH CENTERS CANNOT PROVIDE CARE  
OR THE CLIENT WOULD CHOOSE ALTERNATE CARE PROVIDERS.

POMID: 13094426  
DATE: 04/06/89  
TIME: 09:44:26  
FROM: SOLDOTNA LIO

COPIES: REPRESENTATIVES SENATORS

NAVARRE  
SWACKHAMMER

DUNCAN  
ADAMS  
JONES  
KELLY

*Teleconf.  
April 19<sup>th</sup>*

*L10  
Soldotna* →

*Dave*

# Alaska State Legislature

Senator Paul Fischer  
Senate District D  
Box 784  
Soldotna, Alaska 99669  
(907) 262-9420 W  
262-9269



State Senate

While in Juneau  
P.O. Box V  
Juneau, Alaska 99811  
(907) 465-3791

4/10/89

Sent  
4/12/89

Richard L. Nault, M.A.  
P.O. Box 1242  
Kenai, AK 99611

Dear Richard:

Thank you for your letter of 4/4/89. First, let me say that I hope your problem with the Division of Family and Youth Services was cleared up, and you finally received payment from them. If you are still having problems, feel free to contact my office, and we will pursue the problem further.

In regards to your comments on Senate Bill 29, this bill did have a brief hearing in which Dr. Paul Craig testified before the Senate HESS Committee on March 9, 1989. This bill has not been rescheduled since that date.

I think we all recognize the need for our populace to have access to mental health services. But, this must also be balanced with the need to trim state spending and live within our means. Currently, the fiscal note on this bill is high, and will cost the state additional money from the general fund. Also, this bill will be adding a new service to the medicaid budget, which will be competing with existing programs.

Richard, I am not necessarily opposed to this bill, but I am sure that you are aware of the state's current fiscal position. This fiscal year looks to be a deficit year. It is very difficult for legislators to propose spending new money that we do not have. And, I might add, that the State of Alaska is not like the federal government. We must have a balanced budget at the end of each fiscal year.

Again, thanks for your comments regarding this bill, and I will keep them under advisement.

Cordially,

Paul A. Fischer  
Senator

ALASKA  
PSYCHOLOGICAL  
ASSOCIATION

3211 Providence Drive, Anchorage, Alaska 99508 (907) 786-1711

January 30, 1989

Senator Arliss Sturgulewski  
Pouch V  
Juneau, Alaska 99801

Dear Senator Sturgulewski:

Please be advised that the Alaska Psychological Association (ALPA) fully supports passage of Senate Bill 29, providing for enrollment of psychologists as providers under the State of Alaska Medicaid program.

The Alaska Psychological Association hopes that Alaska will join the majority of the other states in the Union who already include psychologists as providers under Medicaid. Psychologists are properly trained and licensed to provide psychological services as defined by state law. Inclusion of psychologists under the Medicaid program will allow psychologists to practice on a compassionate care basis rather than discriminating against the economically less fortunate citizens of our state.

Thank you for your support of Senate Bill 29.

Sincerely,



Margit Gorton, Ph.D.  
President, Alaska Psychological Association

MG:ph

R.Clark Davis, D.C.  
Ketchikan Chiropractic Center  
320 Bawden, Suite 306  
Ketchikan, Alaska 99901

March 2, 1989

Senator Lloyd Jones  
Alaska State Capitol  
Room 103  
P.O.Box V  
Juneau, Alaska 99811

Dear Lloyd:

I am writing in regards to three additions to the Medicaid system presently proposed before the legislature. These are SB 118 (adult day health care assistance), SB 29 (Psychological services) and HB 70 (pharmacological medical assistance). When chiropractic care was added to the Medicaid system several years ago we were added to the system with the idea of "Last on, first off". This refers to the situation if there is a shortage of funds for Medicaid the last profession added to the Medicaid list shall be the first to be cut from the list. The three bills I mentioned above do not go along with this idea of priorities and fairness. SB 118 puts the adult day health care assistance as #13 and chiropractors as #1 to be cut in event of budget shortfalls. SB 29 puts psychological services as #10 to be cut and chiropractors as #1. HB 70 places pharmacological medical assistance as the 12th to be cut. I am respectfully requesting a placement of each of these newly added programs to be added to Medicaid with the "last on, first off" idea in mind if indeed they are included into the Medicaid system.

If you have any questions feel free to call.

Sincerely,

*Clark*

R. Clark Davis, D.C.

PS #1. There is an additional Bill, SB 116, which is before the legislature that the podiatrists are requesting to be added to the Medicaid system. The podiatrists are requesting to be added with the idea of "last on, first off" and are requesting to be the #1 to be cut in the event of budget shortfalls. This appears to be consistent with common sense, good judgment and fairness.



#2. I have enclosed a pamphlet which includes some of the latest information regarding modern chiropractic treatment. You may wish to refer to it as future bills concerning chiropractic come before the legislature.

If you have any questions at any time feel free to call.

Thank you.

enc: 1

RCD/kk

RUSSELL A. HUFFMAN, JR., M.D.  
POST OFFICE BOX 9435  
KETCHIKAN, ALASKA 99901  
(907) 225-8900

April 14, 1989

APR 17 1989

The Honorable Paul Fischer, Chairman  
Alaska State Senate  
Health, Education & Social  
Services Committee  
P.O. Box V  
Juneau, Alaska 99811

RE: A Letter In Opposition To Senate Bill No. 29

Dear Senator Fischer:

My name is Russell Huffman. I am writing you in strong opposition to Senate Bill No. 29. I have been a physician in Alaska for a number of years (Medical License No. 1134). In the past seven years, I have practiced psychiatry in Ketchikan.

There is sometimes confusion among most of us as to the differences between psychologists and psychiatrists. It may be helpful for me to attempt a clear definition of these two important mental health providers in our system, as well as a more complete identification of who I am.

"Psychiatrists" are initially educated as fully qualified and licensed physicians. Then, those physicians spend four or more years of training and choose to specialize in "medical psychology and neurology." Psychiatrists are medical doctors who practice under the same legal and medical rules that apply to any physician, whether they be surgeon, internist or family practitioner.

"Psychologists" are mental health providers who have had advanced academic degrees, at the Masters or Doctor of Philosophy level. Usually, they have had further clinical training, i.e., in a hospital or medical setting, working with their medical specialist colleagues to deliver a more complete understanding of individual patients. Psychologists are those who often use standardized testing, i.e., intelligence tests or personality inventories, to aid in the evaluation and the treatment of their patients.

With those definitions of the professions in mind, I write you as a "Board Certified Psychiatrist" who has been practicing medicine and doing "psycho-therapy and counseling" for almost 30 years. After several years experience in the mental health field, most of which has been in Alaska, I write in strong opposition to including psychologist services under the State Medical Assistance Program for two important reasons.

1. Provision for Standard of Care:

The Administrative Code, as it is now stated, mandates that a mental health center to receive payment from Medicaid must either be "headed by a psychiatrist/physician" or if a psychologist or psychiatric social worker or psychiatric nurse is the head "must be supervised by a psychiatrist or physician."

The wisdom of this requirement has to do with "standard-of-care" issues. Since physicians take full responsibility for their patients medical/legally, the State charges physicians with the responsibility of supervising the colleagues who are working in such a soft science as "psycho-therapy" or the other kinds of "treatment for human change."

Psychological treatment is a very labor-intensive individual complex process. The outcomes are difficult, if not impossible, to measure over any short time period. To establish a "standard of care" by which any individual treatment is measured becomes very difficult.

Therefore, it seems vitally important to continue the attempt of having physicians help their psychologically trained colleagues affect whatever approximation to "standard of care" is possible in the joint venture. We all recognize the difficulty of establishing a standard of care within medicine itself and physicians all receive similar training. How much more caprice is any standard among psychologists who are trained in a variety of ways and apply an army of "treatment moralities."

2. Access to Public Monies for "Psychological Treatments":

This second opposition is really a corollary of the first, for if we cannot standardize treatment in mental health, how can we possibly estimate the costs of those treatments. For example, I, as a physician, can state with 80 to 90% accuracy how long it will take for a given fracture to heal. After an examination with reasonable accuracy, I can project to the "payor" the number of treatments which will facilitate that healing.

In the psychological treatment moralities, we are so individuated that there is almost no "end-point" which can be estimated. It will take the Senate committee very little reflection to look at our Drug and Alcohol problems in the State of Alaska. The fact that a very few number of individuals through the "revolving door treatment" are utilizing vast amounts of health care dollars with "little apparent effect on their basic personality or behavior."

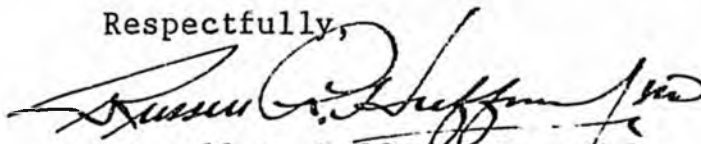
April 14, 1989  
Page Three

As I understand the purpose behind Medicaid, it is to provide basic medical services to the "under-served." At this time of severe fiscal limits in our State Budget, it seems unwise to add psychologist services which may well take monies from much more basic needs from the many and give it to the few.

I shall be available to testify at the Senate Health, Education & Social Services Committee hearing on this bill on Wednesday, 19 April 1989. At that time, I will be happy to answer any questions concerning this letter from you and any other members of the committee.

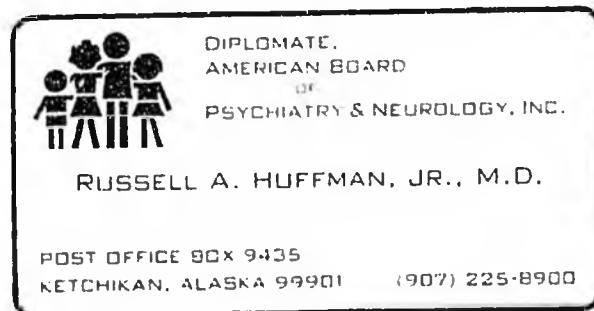
These are very difficult decisions, especially at budget time, and I respect the efforts that you and the rest of the committee are making to arrive at some kind of fair and equitable judgment. If you wish to use any of my experience of several years in mental health in Alaska, I would be honored if you would call on me.

Respectfully,



Russell A. Huffman, Jr., M.D.

RAH:pas



OHLSON PSYCHOLOGICAL SERVICES  
4045 LAKE OTIS PARKWAY, SUITE 201  
ANCHORAGE, ALASKA 99508  
TELEPHONE (907) 563-3162

RONALD W. OHLSON, PH.D.  
DIPLOMATE IN CLINICAL PSYCHOLOGY  
AMERICAN BOARD OF PROFESSIONAL PSYCHOLOGY

THERAPISTS:  
DAVE SANDBERG, M.S.  
KATY BARLOON, M.S.  
CATHY BIGGERSTAFF, M.S.

March 27, 1989

Senator Arliss Sturgulewski  
3111 C Street  
Anchorage, AK 99503

Dear Senator Sturgulewski:

I would like you to join in sponsoring and supporting Senate Bill 29 which would include licensed psychologists and psychological associates as approved providers under the Medicaid program. For some reason, psychologists were omitted as approved providers when the legislation was originally enacted, while other far less qualified practitioners were included. Please note that we are asking for inclusion only of licensed psychological practitioners in order that there would be appropriate quality control in the services delivered to the Medicaid program. Inclusion of psychologists in the Alaska Medicaid law would be consistent with national policy with respect to Medicaid.

At this time due to staff availability, I can only forecast an approximate 5% increase in our client load by the addition of Medicaid recipients. However, I believe that it is extremely important that Medicaid persons have the freedom to choose the high quality of service providers which we have available in this agency.

Warmly and sincerely,



Ronald W. Ohlson, Ph.D.  
Clinical Psychologist

RWO/jc

POSITION PAPER  
Senate Bill No. 29

"An Act relating to psychologists' services under the state medical assistance program; and reordering the priorities for eliminating coverage under Medicaid."

This Act would amend AS 47.07.030(b) to add psychologists' services to the services available for needy persons who are eligible for Medicaid, and it would amend AS 47.07.035 to place this new coverage tenth in the priority listing of all optional Medicaid services authorized by the Legislature for Alaska.

Currently, there are 115 licensed psychologists in Alaska, all of whom would be eligible to enroll as Medicaid providers were SB No. 29 to pass. Currently, approximately ten of these psychologists are already providing services to Medicaid recipients, and indirectly receiving Medicaid payments, in work settings where they are supervised by a physician or psychiatrist who is enrolled.

The Division of Medical Assistance has long believed that this situation is far from ideal, for these reasons:

- (1) The Division has no evidence that the supervision requirement results in more effective, higher-quality care. However, there is a strong subjective conviction, here and in other states' Medicaid agencies, that supervision increases the cost of care.
- (2) Not only does the Division pay physicians for supervisory duties that may or may not enhance the quality of care, the "screening" effect of the supervision requirement means that Medicaid pays for services that are actually provided by any credentialed person the supervisor deems appropriate. This means that Medicaid pays the same rate for a Ph.D. psychologist or even a M.S.-degreed counselor as for a psychiatrist or other physician.

SB No. 29 would enable the Division to better measure, monitor, and control the use and costs of this service, and it offers at least a possibility of slightly lowering the costs per unit of service with no decrease in quality of the service.

Position:

Psychologists' services would be a logical addition to the services offered by Alaska's Medicaid Program as it would create equity between psychologists who practice independently and those who practice under the auspices of a physician or in a community mental health clinic. However, because the cost of this service is not included in the current budget, we cannot support its addition at this time without the appropriation of sufficient funds.

Recommended By:

Kim Busch

Kim Busch, Director  
Division of Medical Assistance

Date:

March 1, 1989

Approved By:

Myra M. Munson

Myra M. Munson, Commissioner  
Department of Health and  
Social Services

Date:

March 1, 1989

## FISCAL NOTE

**REQUEST:**

Revision Date: \_\_\_\_\_ Agency Affected: Health and Social Services  
 Title: An Act relating to psychologists' services. BRU: \_\_\_\_\_  
 Sponsor: Sturculewski and Kerttula Components: Medicaid Non-facility/Claims Processing/Central Administration  
 Requestor: \_\_\_\_\_

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	29.5	29.5	29.5	29.5	29.5
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	66.5	69.5	71.4	73.4	75.5
SUPPLIES	0	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	0	5.4	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	475.0	1051.5	1163.8	1288.1	1425.7
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>577.9</b>	<b>1152.0</b>	<b>1266.2</b>	<b>1392.5</b>	<b>1532.2</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND	0	281.1	559.9	616.5	679.2	748.5
FEDERAL FUNDS	0	296.8	592.1	649.7	713.3	793.7
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>577.9</b>	<b>1152.0</b>	<b>1266.2</b>	<b>1392.5</b>	<b>1532.2</b>

**POSITIONS:**

FULL-TIME	0	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS :** (Attach a separate page if necessary)

See attached analysis. As published, SB No. 29 has no effective date. The starting date of the addition of psychologists' services to the Medicaid Program is assumed to be January 1, 1990.

Prepared by: Kim Busch Phone: 465-3355  
 Division: Division of Medical Assistance Date: 3-1-89

Approved by Commissioner: (Signature) Date: 3-1-89  
 Agency: Dept. of Health and Social Services

Distribution (by preparer):  
 Legislative Finance  
 Legislative Sponsor  
 Requestor  
 Office of Management and Budget  
 Impacted Agency(ies)



SR No. 29  
Fiscal Note Attachment  
Cost Analysis for Psychologists' Services

I. Contractual Costs

- (a) The Alaska Medical Payments System will require modification to pay psychologists as a new service. The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for psychologists' services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test. This is a one-time FY90 cost of 30.0. (15.0 FED, 15.0 SGFM)
- (b) The Division of Medical Assistance must pay the claims processing contractor \$6.23 for each claim processed. Estimated claims volume for FY90 is 5,000, assuming that January 1, 1990 start date. FY90 processing costs = 31.2. Claims volume increases by 3% each year, but the \$6.23 per claim cost will not increase. All costs of claims processing are 75% FED, 25% SGFM.

II. Personnel and Related Costs

The Medical/Surveillance and Utilization Review Unit (SURS) has six staff, including a medical doctor, two RN's, a health planner and a research analyst. The unit has a dual focus:

1. Medical review, which is primarily prior authorization of specific medical services which often require extensive verbal and/or written exchange of information.
2. Pre-payment and post-payment review of claims, a review which often requires extensive verbal and/or written exchange of information.

Prior to completion of the Medicaid Management Information System (MMIS), the Division did not have a dedicated Surveillance and Utilization Review Unit. The staff responsible for medical review received clerical support from the Clerk Typist III, which also supported the nine staff in the system management unit. The addition of the increased claims volume and the associated required medical review functions necessitates the addition of a dedicated Clerk Typist III to the SURS/Medical Review Unit to provide efficient support to the unit. The dedicated clerical support will provide typing, filing, phone/reception, travel, supply, MMIS and Alaska State Accounting System (AKSAS) report monitoring and distribution, a MMIS system change order preparation and monitoring. This position will require a personal computer to function effectively.

This position and supporting costs are requested in the FY90 budget to cover the current and projected needs of the unit. If that request is granted, the amount indicated for this position can be deleted from this fiscal note.

SB No. 29  
 Fiscal Note Attachment  
 Cost Analysis for Psychologists' Services

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Personal Services					
Clerk Typist III (PFT)					
Range 8/A (\$1631/mo. plus \$549 benefits)	29.5	29.5	29.5	29.5	29.5
Travel	-0-				
Contractual					
Communications	.5				
Risk Management	.3				
Office space	<u>4.5</u>				
Total Contractual	5.3	5.3	5.3	5.3	5.3
Supplies	1.5	1.5	1.5	1.5	1.5
Equipment					
Microcomputer					
Hardware & software	4.0				
Desk, chair, file cabinet & bookcase	<u>1.4</u>				
Total Equipment	<u>5.4</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL</b>	<u><b>41.7</b></u>	<u><b>36.3</b></u>	<u><b>36.3</b></u>	<u><b>36.3</b></u>	<u><b>36.3</b></u>

These costs are 50% FED, 50% SGFM.

III. New Grants/Claims Costs

(a) There is no accurate method for determining the numbers of Medicaid eligibles who will use this new coverage, the numbers of providers who will choose to enroll, and the initial costs per type of service that they will provide. Cost estimates are based on the following assumptions:

- (1) 50 psychologists will enroll as providers, and this number will not change in the future years.
- (2) The statewide average cost per hour of service is currently \$95, and this will not change substantially in future years.
- (3) Each enrolled psychologist will bill Medicaid for four hours per week, 200 hours per year. (This 10% average is consistent with the percentage of gross income Medicaid represents for most major types of medical providers in Alaska.)
- (4) There is no data to suggest the current Medicaid costs for psychiatrists' services will either increase or decrease as a result of adding psychologists' services.
- (5) The time required for data system changes, promulgation of regulations, and provider enrollment activities necessitate a starting date no earlier than January 1, 1990. FY90: 50 psychologists X 4 hours per week X \$95 X 25 weeks = 475.0. 237.5 SGFM  
237.5 Fed

- (b) Costs for FY91 through FY94 are computed from the FY90 base estimate, increased each year by 3% for increases in utilization and by 7.46% for the costs of service. (7.46% is the percentage change in the Anchorage CPI from 1988 to 1989.)

Once a full year of data is available, future costs of this option can be influenced by further regulating the maximum amounts Medicaid will pay for each type of service and by imposing service maximums, such as per-client caps on total dollar usage of a particular service in any calendar year. Most states offering this coverage impose such controls. However, the states we contacted confirmed that, as is true in Alaska, mental health services utilization and costs tend to increase more rapidly than any other Medicaid services, and even stringent controls can do little more than retard this growth.

ALASKA PSYCHOLOGICAL ASSOCIATION  
3211 PROVIDENCE DRIVE  
ANCHORAGE, AK 99508  
907-786-1711

March 5, 1989

To: Senator Arliss Sturgulewski

From: Paul L. Craig, Ph.D.  
Clinical Neuropsychologist

Re: Senate Bill 29 Fiscal Note.

Thank you for sending me a copy of the fiscal note regarding SB 29 which was promulgated by the Alaska Department of Health and Social Services on March 1, 1989.

Philosophically, the Alaska Psychological Association agrees with most of the points raised by the Department. Currently there are several Psychologists in Alaska who have a mechanism to bill for services provided to Medicaid recipients. These include:

- Psychologists employed at Community Mental Health Centers,
- Psychologists who work through one of the 15 private clinics who were issued clinic numbers several years ago,
- Psychologists who bill under the supervision of a physician, and
- a Psychologist who was enrolled in the Medicaid program as part of the settlement of a suit brought against the State of Alaska during 1988. (The settlement apparently specified that the terms of the settlement could not be discussed although it is common knowledge that this Psychologist can now accept Medicaid patients.)

Clearly, the current situation is fraught with inequity and will simply lead to additional litigation if not corrected. As stated by the Department, the current arrangement does not improve quality of care. In fact, it may add unnecessary costs due to supervision requirements and the fact that supervising physicians apparently are billing for services at physician rates although the provider may not be a physician.

The Alaska Psychological Association agrees with the Department's position that, "Psychologists' services would be a logical addition to the services offered by Alaska's Medicaid program..."

However, the Association believes that some of the data presented in the fiscal note is not an accurate reflection of the programmatic and fiscal implications of enactment of SB 29. Specifically:

1. A staff person and supporting costs are listed as a financial consequence of SB 29. As noted in the narrative, this position is already in the Governor's budget for FY 90. A new staff position is already deemed necessary irrespective of SB 29.
2. The Department states that, "Currently, approximately ten...Psychologists are already providing services to Medicaid recipients, and indirectly receiving Medicaid payments..." In fact, there are at least 30 licensed providers of psychological services in Alaska who meet this criterion based upon a review of the names listed in the October, 1988 Directory of Licensees published by the Division of Occupational Licensing. One psychologist is probably reimbursed directly although terms of the settlement of her suit against the State of Alaska Medicaid program have not been made public as mentioned above. More than 30 Psychologists currently bill for services provided under the Medicaid program. Although the Department is probably correct that 50 Psychologists will enroll in the Medicaid program, many are already billing for services under Medicaid. As a result of SB 29, most enrolled providers will simply be altering the mechanism through which they bill thereby reducing the additional fees to the State for supervision.
3. When justifying the largest line item in the fiscal note (claims costs), the Department conceded that there is no accurate method to project costs. The Alaska Psychological Association would recommend that the State use the existing data base relative to the cost of mental health services provided by Psychiatrists in Alaska through the Medicaid program. The Division of Medical Assistance has recently reviewed these costs and concluded that each Psychiatrist bills an average of \$8,000.00 per year through Medicaid (one provider was excluded from this statistic insofar as he/she does exclusively hospital work and is considered an anomaly relative to other providers). It would be expected that Psychologists would bill less per year insofar as the average charge per hour of service is 10 to 20 percent lower. Also, Psychologists typically do not admit patients to the hospital, one of the more expensive modes of mental health service delivery. In light of this data, the Alaska Psychological Association contends that the average charge for services per Psychologist enrolled in the Medicaid program would be less than \$8,000.00 per year (probably \$6,000.00).
4. The Department contends that SB 29 will require "modification" of the Medicaid program to accomodate this

new class of services. In fact, the Medicaid program has been paying for psychological services for many years as stated elsewhere in the position paper. No new services are being proposed. Rather, SB 29 simply provides for direct reimbursement to Psychologists for services which are already being reimbursed indirectly through the options described above. The Department refers to the need for new claim forms. The Department could use the same claim forms that they have been using for mental health services during the past several years. A Utilization Review Unit exists which would provide the necessary audit mechanism to assure that Psychologists were not billing for services which they are not licensed to provide (e.g., medication reviews). No new administrative procedures will be required other than enrolling Psychologists who request to become providers under the Medicaid program and to provide the same orientation materials provided to any other new enrollees. Otherwise, billing for mental health services can proceed in the same manner enjoyed by the Medicaid program during recent years.

5. Regarding effective date, the Alaska Psychological Association assumes that SB 29 will become effective 60 days from when it is signed into law by the Governor as is the case with other new legislation.

6. The Department contends that 50 new providers will be enrolled in Medicaid as a consequence of SB 29. The Alaska Psychological Association believes that 50 licensees may enroll but that many of these Psychologists are already providing services under Medicaid (at least 30 have already been identified). Many of these 50 enrollees will not pose a new fiscal impact. Another 35 Psychologists licensed in Alaska have moved to the lower 48 but their licenses have not yet expired. Several others work for the Division of Mental Health, Department of Corrections, Alaska Psychiatric Institute, University of Alaska, and other institutions. It is highly unlikely that they would become enrollees. If they do enroll, their part-time private practice will have minimal impact on the Medicaid program. It is the Association's position that there will be very few new providers of mental health services under Medicaid as a consequence of SB 29. Most enrollees will simply be shifting from indirect to direct reimbursement.

**POSITION:** Using the liberal assumptions and data provided by the Department of Health and Social Services, the Alaska Psychological Association contends that the annual cost of SB 29 to the State of Alaska would be no more than \$400,000.00. Using more realistic assumptions, the annual cost of SB 29 is thought to range from \$150,000.00 to \$200,000.00. Insofar as 50% of the revenue is derived from federal match, the actual cost to the State of Alaska could range from \$75,000.00 to \$100,000.00.

Page 2 of 3  
Page 2 of 3

Note: The lower estimates are based on the assumption that the average psychologist will bill \$6,000.00 per year (rather than the \$8,000.00 average billed by Psychiatrists per year) and that there will only be 25 to 33 new providers under SB 29. There may be more enrollees but most will be transferring from indirect to direct reimbursement for services rendered. The higher estimate is based on the assumption that there will be 50 new providers each billing at the same level as Psychiatrists who engage in outpatient and inpatient work.

These predictions do not account for the overall cost savings to the health care system associated with having Psychological services available to treat emotional and behavioral disorders. The American Psychological Association in Washington D.C. has access to reports regarding the cost effectiveness of inclusion of Psychological services in the health care system. Please feel free to contact Sharon Plunkett at the APA Practice Directorate Office for further information (800-233-1834).

Thank you. I hope these comments will be of assistance to the Alaska Legislature as deliberations regarding SB 29 proceed.

1



ALASKA PSYCHOLOGICAL ASSOCIATION  
3211 PROVIDENCE DRIVE  
ANCHORAGE, AK 99508  
907-786-1711

March 12, 1989

To: Senator Arliss Sturgulewski

From: Paul L. Craig, Ph.D.  
Clinical Neuropsychologist

Re: Senate Bill 29

Thank you for your very supportive stance during my visit to Juneau last week. I think we made some progress.

Upon returning to Anchorage, I contacted the American Psychological Association regarding the costs associated with inclusion of psychologists in the Medicaid program as direct providers of mental health services. They express mailed a large packet which I have distilled for your use.

The data from Colorado suggests that the cost for psychological services decreased measurably when this service was available without medical supervision (see pilot project report from Colorado). Quality of care was not impacted.

Hawaii data indicates that about 9% of Medicaid recipients seek some form of mental health care at some time while they are enrolled in the program. These Medicaid recipients are also the individuals within Medicaid who utilize general health care services to a much greater degree than the Medicaid recipients who do not use mental health services. As referenced in the attached fact sheet, several studies have demonstrated the effectiveness of psychological services in reducing the inappropriate over-utilization of expensive health care services. The data collected in Hawaii indicates that inclusion of psychologists as direct providers in Medicaid does result in a reduction in overall health care services utilization among the segment of the Medicaid population which makes use of psychological services. There is no suggestion that inclusion of psychologists in the Medicaid program results in an increased level of utilization of mental health services among Medicaid recipients.

Freedom of choice (FOC) states have laws requiring that health care plans allow the consumer to choose whether to get their mental health services from a psychologist or a psychiatrist. More than 30 states have enacted FOC legislation. In FOC states, the more competitive



environment has resulted in approximately a 10% decrease in the "usual and customary" rates charged for psychiatric services as compared with states like Alaska that don't have an FOC statute. Freedom of choice in Medicaid could not only increase the availability of qualified providers for Medicaid recipients who need mental health care, it could also reduce the rates charged for these services by various categories of providers.

In summary, data from other states indicates:

1. Inclusion of psychologists in the Medicaid program does not result in any increase in utilization of mental health services among Medicaid recipients. The same 9% of this group will seek mental health services whether it is provided by a psychologist or other provider.
2. Medicaid recipients who use mental health services consume a disproportionate amount of general health care services through Medicaid. In other words, this same 9% of the Medicaid population referred to above also are heavy users of a broad array of inpatient and outpatient health care services through Medicaid.
3. Psychological services have been demonstrated in a variety of cost-containment studies to result in an overall decrease in utilization of general health care services.
4. In light of the preceding information, it is contended that direct access to cost effective psychological services under the Medicaid program will improve access to high quality providers of mental health services, will not change the rate of utilization of mental health services, may decrease the rates charged for mental health services, and will result in a decrease in the over-utilization of expensive general health care services including both inpatient and ambulatory care.

Based upon the experience of other states, there is no data to support the contention that inclusion of psychologists as direct participants in Medicaid will substantially increase the cost of delivery of mental health services and may result in a measurable decrease in the cost of other health care services delivered to Medicaid recipients who make appropriate use of psychological services.

If the Division of Medical Assistance has concerns about abuses within the system, these concerns should be dealt with through effective utilization review and development of standards applicable to all providers of mental health services. Alaskan psychologists would welcome accountability within the Medicaid funded mental health system. The discriminatory policy of inclusion of some, but not all, providers of psychological services under the Alaska Medicaid program represents a capricious restraint of trade which could be nicely solved through SB 29. Thank you.

Colorado

The Medicaid Psychologists Pilot Project Overview

## I. The Provider Group

There will be a Participating Provider Group of Psychologists who will be enrolled in the Medicaid Psychologists Pilot Project under the specific agreement that they will provide appropriate, cost effective psychological services to eligible Medicaid recipients. The participating psychologists will agree to provide such services within specified benefit parameters and they will be subject to a peer review of their work. In order to qualify for the Project, psychologists must hold a current Colorado license. In addition, applicants must have graduated from a doctoral psychology program approved by the American Psychological Association (APA) and completed an internship in clinical or counseling psychology. A waiver from the APA-approval of a doctoral program may be granted if the psychologist is currently listed in the National Register of Health Service Providers in Psychology.

## II. Cost Containment System

The Medicaid project is designed to provide quality psychological services while not escalating the costs for such services. There are six cost controlling elements incorporated into the program, these elements are:

1. Participation in the Primary Care Physician Program
2. Specific Provider Agreement Criteria
3. Capping of services
4. Fixed reimbursement rates
5. Information management system
6. Utilization review

Participation in the Primary Care Physician Program (PCP) means that the psychologist will have to coordinate services with this gatekeeper and clinical manager of health care services. Where appropriate Medicaid clients will be assigned a PCP.

The provider agreement form requires that all participating psychologists follow the guidelines set forth in the program. Failure to comply with the guidelines will result in the exclusion of the psychologist from the program.

Ambulatory Psychotherapy, Outpatient hospital services, inpatient hospital services and psychological testing are limited to a pre-determined number of hours per benefit period. Any patient that requires services beyond the specified limits must have prior approval by the the PCP and must conform to PRO criteria.

The reimbursement rate for all services is a fixed fee determined by the Department of Social Services.

All participating providers are required to maintain a written individualized plan or care for all clients. In addition mandatory mental health reports are submitted to the PCP on a scheduled basis.

Utilization review process will be implemented in order to evaluate benefit parameters and standards of care. The process will address the issues of necessity, appropriateness and quality of psychological treatment. The review process will consist of the completion of a UR check list, random review of cases, and automatic review of providers who are exceeding the specified benefit parameters.

### III. Population Served

The pilot project will serve all eligible medicaid recipients who have need for mental health services. The specific populations to be served include:

1. SSI Recipients
2. AFDC
3. Foster Care
4. Abused and Neglected Children

### IV. Services Provided

The services to be provided by participating Psychologists include the following areas:

1. Ambulatory Psychotherapy
2. Psychological Testing
3. Inpatient Psychotherapy
4. Hospital Outpatient Psychotherapy

### V. Referral Procedures

Medicaid recipients may exercise freedom of choice in selecting a participating psychologist on their own initiative, or they may be referred through other sources such as physicians, social workers, nurses, agency representatives or case managers. In those cases where a Medicaid recipient has an assigned Primary Care Physician, prior authorization for psychological services must be obtained from the physician as specified in Department of Social Services rules.

### VI. Quality Control

In addition to serving as a cost containment element, the UR process is also a check for quality of diagnostic and treatment services. Participating psychologists will be subject to both random and scheduled reviews by peer psychologists to ensure necessity, timeliness, appropriate focus and intensity of services. Cases involving sub-standard care will be referred to Department of Social Services for appropriate action.

### VII. Reimbursement System

The reimbursement for psychological services will follow current Social Services procedures and requirements. The payment for the services will be made in accordance with the procedure codes defined by the Department of Social Services. In addition, a Utilization Review form must be completed by the participating Psychologist and attached to claim form being submitted.

### VIII. Project Evaluation

The pilot project will contain several levels of evaluation. The program's effectiveness will be measured by collecting data on the utilization rate, length of stay, cost for each service and total cost to the Medicaid Program. This information will be compared to other Medicaid Provider Groups

The project is designed to not raise the cost of mental health services to the Medicaid program.

Executive Officer Report

# Professional Issues Update

by John Nicoletti

The 1988 Legislative session opens with psychologists actively involved in several key areas. The most important area is the licensing bill which is H.B. 1026. The bill to make the Medicaid Project a permanent program is also starting in the House (H.B. 1106) and being sponsored by Representative Bruce Neale. The statistics for the pilot project are positive for controlling the cost of Medicaid services. The preliminary data shows that the average cost per recipient who was seen during the project was \$196.61 as compared to \$245.36 before the project. Hopefully, the legislature will view this as a significant cost control. The other bills that we are actively involved in are the Mental Health Insurance Reimbursement Bill and the Sexual Assault by Psychotherapists Bill. In addition, there are several other bills that relate to either mental health or social issues that we will be monitoring and/or taking action on during the session. We will be asking for your help in lobbying the various bills in the near future. If you have any questions about legislation, please contact either Charlie Hebler (756-5513), Toni Helfrich (756-6565) or me (986-2164).

The Worker's Compensation Guidelines for non-physicians providers were adopted and will go into effect March 3, 1988. A copy of the guidelines to be adopted are printed below. The modifier code to be used by psychologists is 03. If you have any questions about

## Guidelines Regarding Non-Physician Providers Under the Colorado Workers' Compensation Medical Fee Schedule: Who May Provide Services?

**GUIDELINES REGARDING NON-PHYSICIAN**  
 A) Physicians licensed by the Board of Medical Examiners, the Board of Dental Examiners, the Board of Chiropractic Examiners, and the Colorado Podiatry Board may be designated as authorized treating physicians.

B) Persons in the following professional categories shall be reimbursed at the rate of 75% of the fee paid to a physician according to the Workers' Compensation Medical Fee Schedule under the following conditions:

1. The insurer is not required to reimburse the non-physician provider for treating a disabling injury or illness unless the worker has been referred for treatment by the worker's authorized treating physician, who will remain the authorized treating physician;
2. This non-physician provider is not an authorized treating physician and, therefore, cannot conduct disability evaluations, render opinions or other similar functions which may only be performed by the authorized treating physician;
3. The non-physician provider is independently practicing; i.e., is not in the employment of a physician.

Recognized non-physician providers shall be:  
 Physician Assistants licensed under CRS 12-36-106 (5)(a). This includes university trained Surgeon Assistants;

procedures or rates, please call me at 986-2164. The change in the guidelines is a positive one for psychologists. In other positive news, the Colorado Business Coalition for Health will be sponsoring another workshop on mental health benefits. Their interest in the workshop is showing a positive trend on the part of business towards mental health. Unlike last year's workshop, providers will be allowed to attend this meeting along with the corporate representatives.

At the National level, psychologists were able to maintain the ground gained in the Medicare Legislation. As I mentioned in previous issues, psychologists were included in the Medicare bill. The psychology provisions were approved by the joint Senate/House Budget Reconciliation Conference Committee. The bill will allow for Medicare beneficiaries to obtain the services of psychologists when seeking care through community mental health centers and federally defined rural health clinics. Psychologists' services will not be subject to physician supervision or referral. Thanks to all of you who contacted your federal representatives around this issue. The federal grass roots network is becoming an integral part of affecting policy. Toni Helfrich will be taking over as the State Coordinator for the network. If you are interested in taking part, please contact one of us.

2. Registered Professional Nurses licensed under CRS 12-38-101;
3. Licensed Social Worker II's who are licensed under CRS 12-63-5-101;
4. Optometrists licensed under CRS 12-40-101;
5. Respiratory Therapists certified by the National Board of Respiratory Care;
6. Audiologists certified by the American Speech and Hearing Association;
7. Orthopedic Technologists certified by the National Organization of Orthopedic Technologists;
8. Surgical Technologists certified by the Association of Surgical Technologists.

C) Psychologists licensed under CRS 12-43-101 shall be reimbursed at a rate of 90% of the fee paid to a physician according to the Workers' Compensation Medical Fee Schedule. Psychologists shall be subject to the limitation in B (1) and (3) above.

**FRIDAY FORUMS** - Internal Affairs Committee is initiating a series of Friday Forums, informal sessions late on Friday afternoon, sometimes with invited presenters, sometimes not. The first one will be Friday, February 26th at 4 p.m. This is a chance for you to sit down and talk with the Committee about CPA issues that concern you. Call the office, 759-3683, if you would like to attend.

## Professional Practice Committee Seeks Volunteers

The Committee on Professional Practice is looking for volunteers to be our "eyes and ears" inside HMOs and PPOs. We need current information about the inclusion of psychologists in these organizations and the range of practice allowed. Comments about the general atmosphere within the organization and the efficiency of the operations would also be welcomed. Your commitment would be to fill out a brief questionnaire addressing these concerns on a quarterly basis. Information from all the organizations will be shared with the membership in the BULLETIN. Since there are more than forty such groups in Colorado, your help would be greatly appreciated. Please call the CPA Office (759-3683) and leave your name, the name of the group to which you belong, and a phone number. Or you may contact me by writing to volunteer: Stuart Adelman, Ph.D.; 3489 W. 72nd Ave.; Westminster, CO 80030.

## Fall Conference Correction

Dear Editor:

I wanted to thank you for your excellent coverage of the recent CPA conference and particularly for your report about the cognitive viewpoint on anxiety disorders. Unfortunately, there was one misquote attributed to me that I want to correct. The article stated that I had warned about the addictive quality of Xanax (Alprazolam) which I had done, but went on to say that it could lead to convulsions for some patients. I believe that this was a comment from the audience, not something I had said. While all medications need to be carefully monitored by a physician, I personally have had no reports of patients suffering such severe side effects as convulsions. Thank you for noting this correction.

Sincerely,  
 Andrew A. Sweet, Psy.D.  
 Clinical Psychologist

## CPA Retains Seat on APA Council

Thanks to all CPA members who gave us their votes on the APA Apportionment ballot, CPA has managed to retain a seat on Council of Representatives for another year. This was especially good news in a year when more than one State Psychological Association lost their representation. CPA Representative Steven Warner will be attending the Council session in Washington the end of this month and will have a report for the membership in the next issue of the Bulletin.

We have also received word from APA that it is time for us to submit names of candidates for election as CPA's representative on the APA Council - term to begin in 1990. Qualifications include membership in CPA and APA, ongoing interest and leadership in state association affairs. If you are personally interested, or wish to

PSYCHOLOGY PILOT PROJECT REPORT

1. Membership as of February 22, 1988:
  - 165 psychologists located in 25 Colorado Cities.
  - 60 psychologists have received reimbursement for Medicaid services rendered in quarter 07/01/87 to 09/30/87.\*
2. Individual Utilization Summary Profile Report: Used to analyze 36 Pilot Project providers and compare "before and after" services 07/84 to 09/84 and 07/87 to 09/87. The 36 Providers are 60% of Pilot Project Psychologists receiving reimbursement:

07/01/84 to 09/30/84	
Total Dollars Paid:	\$64,666.00
Total Recipients Served	255
Average payment per recipient	\$253.59

07/01/87 to 09/30/87	
Total Dollars Paid	\$48,691.00
Total Recipients served	200
Average payment per recipient	\$243.45

These data indicate that for these 36 providers the total recipients served and the total dollars paid decreased even though the providers had the ability to bill for services independent of M.D. supervision. These providers operated under the utilization controls outlined in the Psychologist Pilot Project.

3. Summary Field Totals: This report addresses all non-physician practitioners. Providers who are not enrolled in the pilot project are included. Providers most often using a psychiatric diagnosis are:
  - A. Non-licensed (Ph.D) psychologists
  - B. MA psychologists
  - C. ACSW Social Worker
  - D. MS psychiatric nurse
  - E. MSW Social Worker
  - F. BS psychiatric nurse
  - G. Psychiatric Tech.

These providers are reimbursed on a sliding scale. Non-licensed psychologists are paid at the highest end of the scale at a rate equal to those psychologists in the pilot project. Those at the lowest end the scale include the psychiatric technician.



07/01/84 to 09/30/84

Total recipients = 853  
Total dollars paid = \$166,311  
Average payment per recipient \$194.96

07/01/87 to 09/30/87

Total recipients = 1646  
Total dollars paid = \$227,637  
Average payment per recipient = \$138.27

Both analyses show that the average payment per recipient has decreased since 1984.

The group of non-physician practitioners described above operated without the utilization controls specified in the pilot project.

\* The reports used in the following analysis are produced by the Surveillance Utilization Review subsystem of the MMIS. Two reports have been utilized in compiling this data: MNADR-1 is an aggregate summary of all services provided; MNAER-1 is an individual provider report demonstrating Medicaid Utilization. A third report available, but not used in this report, the MNDDR025 provides definitive, claim by claim answers regarding services rendered.

ALASKA

PSYCHOLOGICAL

ASSOCIATION

3211 Providence Drive, Anchorage, Alaska 99508 (907) 786-1711

### POSITION PAPER

**Issue:** Alaskan Psychologists, although licensed by the State of Alaska, are omitted from the statutes which determine the type of care allowed by and covered under the Medicaid program.

**Position:** The Alaska Psychological Association is proposing changes in the current statutes to allow Medicaid patients to receive psychological services with consumer choice regarding the licensed provider of the service.

Current statutes create a situation which:

- 1) Discriminates against the needy and those in remote locations;
- 2) Is more costly to the Medicaid system;
- 3) Limits the quality of care available to all Alaskans;
- 4) Results in a restraint of trade.

The proposed changes would correct this situation and allow psychologists to receive compensation for services provided to Medicaid patients. Currently, a number of psychologists provide needed care to Medicaid patients without compensation, or they are forced to resort to the courts in legal action against agencies of the State of Alaska to receive compensation. It is currently the practice of the Alaska Attorney General's office to settle such suits out of court when possible. Many psychologists feel that reasonable changes in the statutes by the legislature are the only

recourse left to them, short of joining the growing number of costly and time-consuming suits. They have elected to pursue these changes through their professional Association.

The Federal Medicaid program allows the various states to determine eligibility and types of care covered by the program.

A variety of other professional health services are provided for under Alaska statutes pertaining to Medicaid. These include optometrists, physical therapists, nurse midwives, physicians and others.

A growing number of states, currently about half, provide for Medicaid recipients to receive independent psychological services.

People covered by private insurance and even employees of the State of Alaska covered by Alaska's employee health care plans are able to receive the services of an independent psychologist.

However, Alaskans who are Medicaid recipients may not choose freely between equally qualified providers. They are also denied equal access to treatment by care providers offering non-drug approaches.

The Alaska Psychological Association hereby requests your support of Senate Bill 29, which allows Medicaid recipients access to psychological services.



POSITION PAPER  
Senate Bill No. 29

"An Act relating to psychologists' services under the state medical assistance program; and reordering the priorities for eliminating coverage under Medicaid."

This Act would amend AS 47.07.030(b) to add psychologists' services to the services available for needy persons who are eligible for Medicaid, and it would amend AS 47.07.035 to place this new coverage tenth in the priority listing of all optional Medicaid services authorized by the Legislature for Alaska.

Currently, there are 115 licensed psychologists in Alaska, all of whom would be eligible to enroll as Medicaid providers were SB No. 29 to pass. A substantial number of these psychologists are already providing services to Medicaid recipients, and indirectly receiving Medicaid payments, in work settings such as physicians' clinics or community mental health clinics where they are supervised by a physician or psychiatrist who is enrolled.

The Division of Medical Assistance has long believed that this situation is far from ideal, for these reasons:

- (1) The Division has no evidence that the supervision requirement generally results in more effective, higher-quality care. However, there is a strong conviction, here and in other states' Medicaid agencies, that supervision increases the cost of care.

Many states have specified exactly how much and what types of supervision are required, but as a practical matter, there is no cost-effective way to enforce such rules, and there is considerable disagreement over whether such rules do in fact result in any measurable improvement in the care provided. Federal Medicaid rules allow for any type of M.D. to be a supervisor, so it's frequently the case that a general practitioner, who may or may not have any formal training in psychology, is being paid to consult with and guide a certified mental health professional. This may be helpful in cases in which a person's mental problems are caused by or accompanied by physical problems, but in many cases, the only advantage in such a relationship is a financial one to the doctor, resulting in an unnecessary cost to the taxpayer.

- (2) Not only does the Division pay physicians for supervisory duties that may or may not enhance the quality of care, the "screening" effect in clinical settings which result from the supervision requirement means that Medicaid pays for services that are actually provided by any licensed person the supervisor deems appropriate. This means that Medicaid pays

the rate appropriate for a psychiatrist/M.D., but the patient often gets services from someone whose credentials would justify a lower rate.

SB No. 29 would enable the Division to directly enroll psychologists, which would allow the Division to better measure, monitor, and control the use and costs of psychologists' services. SB 29 offers a good possibility of slightly lowering the costs per unit of services without decreasing the quality of the service.

From the provider's point of view, adding psychologists' services to Alaska's Medicaid Program would create equity between psychologists who practice independently and those who practice under the supervision of a physician or in a community mental health clinic.

From the Medicaid recipient's point of view, adding psychologists' services would make it easier to obtain care because it would increase the number of Alaska providers offering this service. It would also make it easier for them to directly access the person who gives them care, as they would no longer have to pass through a physician's examination or a clinic's screening process.

Position:

From the Department's perspective, SB No. 29 is a highly desirable bill that provides a simple solution to a long-standing and growing problem. The only objection we believe could be raised to SB No. 29 is that it will result in new providers enrolling in Medicaid, which in turn means that more recipients may use these provider's services, which may increase the program costs. These costs are detailed in the Department's Fiscal Note. However, these same cost increases appear to be occurring to some degree already, and SB No. 29 give us the administrative structure in which we could measure and control them.

The Department supports the passage of SB No. 29.

Recommended By: Kim Busch  
For: Kim Busch, Director  
Division of Medical Assistance

Date: January 29, 1990

Approved By: Myra M. Munson  
Myra M. Munson, Commissioner  
Department of Health and  
Social Services

Date: Feb 1, 1990

SB29

# FISCAL NOTE

**REQUEST:**

Revision Date: 1/23/90  
 Title: An Act relating to Psychologists' Services  
 Sponsor: Sturgulewski and Kertulla  
 Requestor: \_\_\_\_\_

Agency Affected: Health and Social Services  
 BRU: Medical Assistance  
Medical Assistance Administration  
 Components: Medicaid Non-Facility  
Claims Processing

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	61.2	71.4	81.8	93.7	107.4	123.1
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	291.2	708.8	862.6	1,049.8	1,277.6	1,554.9
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>352.4</b>	<b>780.2</b>	<b>944.4</b>	<b>1,143.5</b>	<b>1,335.0</b>	<b>1,678.0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	168.4	372.2	451.7	548.3	665.6	808.2
FEDERAL FUNDS	184.0	408.0	492.7	595.2	719.4	869.8
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>352.4</b>	<b>780.2</b>	<b>944.4</b>	<b>1,143.5</b>	<b>1,385.0</b>	<b>1,678.0</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS :** (Attach a separate page if necessary)

See attached analysis. As published, SB No. 29 has no effective date. The starting date of the addition of psychologists' services to the Medicaid Program is assumed to be January 1, 1991.

This has no FY90 impact.

Prepared by: [Signature]  
 Division: Division of Medical Assistance

Phone: 465-3355  
 Date: 1/29/90

Approved by Commissioner: [Signature]  
 Agency: Department of Health and Social Services

Date: 2/1/90

**Distribution (by preparer) :**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB No. 29  
Fiscal Note Attachment  
Cost Analysis for Psychologists' Services

I. Contractual Costs

- a. The Alaska Medical Payments System will require modification to pay psychologists as a new service. The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for psychologists' services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test. This is a one-time FY91 cost of 30.0. (15.0 FED, 15.0 SGFM)
- b. The Division of Medical Assistance must pay the claims processing contractor \$6.23 for each claim processed. Estimated claims volume for FY91 is 5,000, assuming a January 1, 1991 start date. FY91 processing costs = 31.2. All costs of claims processing are 75% FED, 25% SGFM.

II New Grants/Claims Costs

- a. There is no accurate method for determining the numbers of Medicaid eligibles who will use this new coverage, the numbers of providers who will choose to enroll, and the initial costs per type of service that they will provide. Cost estimates are based on the following assumptions:
  - (1) 50 psychologists will enroll as providers in the first year.
  - (2) Approximately 24 of these new providers are currently providing services indirectly, supervised by and/or billing through a physician or psychiatrist. About half of these are billing Medicaid at a rate 15% lower than the rate charged by psychiatrists. Payments to the 12 now billing at the higher rate will be reduced by \$14,400 (15% reduction X \$8,000 current average psychiatrist's Medicaid billing per year, X 12 psychologists = \$14,400 Medicaid savings).
  - (3) Logic suggests that billings from physicians and psychiatrists who supervise the psychologists now providing services to Medicaid eligibles would decrease if these psychologists were to enroll directly. However, experience in other states that have added psychologists' services has varied so much on this point that we cannot safely assume any decrease in current billings.
  - (4) Approximately 26 psychologists in private practice who are not currently serving Medicaid recipients will enroll. Alaska Psychological Association data indicates these new providers will see an average of 21 patients per week for a total of 34 hours per week, and that they charge \$90 per hour for private sessions.

(5) We assume that psychologists will not differ from other medical professionals enrolled as Medicaid providers, in that Medicaid patients will, on average, not exceed 15% of their total patient load. Cost for new providers will be 34 hours per week X \$90/hour X 15% X 50 weeks/year X 26 psychologists = \$596,700.

(6) \$596,700 new costs minus \$14,400 savings = \$582,300 net costs for a full year of psychologists' services. The time required for data system changes, promulgation of regulations, and provider enrollment activities necessitate a starting date no earlier than January 1, 1991. FY91 costs will therefore be 50% of a full year:

	145.6	SGFM
	145.6	FED
	<u>291.2</u>	Total

(b) Costs for FY92 through FY96 are computed from the FY90 base estimate, adjusted for a full year, and increased annually by 21.7% (7.1% for price increases, 4.2% for increases in the number of eligible recipients, and 10.4% for utilization increases).

Claims processing costs are billed at \$6.23 per claim. For FY92 through FY96, FY91 costs, adjusted for a full year, are increased by 14.6% annually (4.2% for increases in the number of eligible recipients, and 10.4% for utilization increases).

## ALASKAN PSYCHOLOGISTS 1988

Bruno M. Kappes and Sonya M. Plourde  
University of Alaska  
Anchorage

During the past year members of the Alaska Psychological Association (ALPA) and other psychologists in the state received a questionnaire and address update in the mail. The survey was administered in October 1987 with a second request for follow up ending February 1988. This survey of mental health professionals in Alaska was conducted to assist in identifying some specific characteristics of psychologists state-wide. In addition, the information was to serve as a profile of current ALPA membership and help establish particular priorities for potential political action. This report presents the results of those who participated and were inclusive to only those who met the following criteria. First, the data represents professionals who are registered active members of the American Psychological Association (APA), the parent organization to ALPA. An address list was provided from the home offices of APA in Washington D.C.. Secondly, psychologists who were members of ALPA but not current members of APA were also included. The information herein was also restricted to only those who currently reside in Alaska. This data is most likely a fair representation of what is typical for most psychologists in the state. APA and ALPA is not responsible for the content or implications contained within this article. The design, data reduction, collection and analyses were conducted in the Psychology Department at the University of Alaska Anchorage. Special thanks to graduate students Richard Miller and Steven Hendricks for their contribution to data collection and reduction.

A total of 140 professionals met the above criteria and were sent a request for information. Each person was mailed an anonymous 46-item questionnaire and a separate information request form to update ALPA files. Each packet contained two

individual self-addressed stamped envelopes therefore data would be completely anonymous and remain confidential. A 3-month follow-up second request was sent to those without a prompt return on the form update. A final total of 90 returns were available for analysis. This 65% return rate indicates a remarkably high rate of response for mailed questionnaires.

The Statistical Package for Social Science (SPSS-X) on the university Vax system was utilized for analysis and the results are presented as follows. Table 1 lists the descriptive statistics for the majority of responses. Each set of statistics are followed by the specific N or total number of individuals choosing to respond to the variable in question. Alaska is sometimes referred to as the land of extremes, therefore use of the mode (frequent scores) as an index of the typical response rather than the mean (average), which is easily influenced by extreme scores, may be preferred.

Figure 1 shows over 40% or a majority of Alaskan psychologists to be engaged in private practice. Interestingly, educational institutions, non-profit organizations and the state of Alaska are virtually tied and in second place with each sharing 15% of the employment pie. The smallest employment statistics are shared by the municipality, U.S. Government and corporations with the latter representing the smallest share of 2%.

Regarding annual salary, the results demonstrated no statistically significant differences between male and female psychologists' salaries irrespective of degree (male=\$64K, female=\$55K means, \$52K, \$50K medians respectively  $p < .22$ , see figure 2.). Although the means suggests a \$10k difference, there are sufficient numbers of both sexes who earn substantially higher or lower in either case to suggest a relatively equal parody. Above all however, a subsequent regression analysis revealed the most important variable predictive of salary seems to be the number of hours worked per week with a correlation of  $r=.50$ ,  $p<.001$ . An exceptional example showed up to 65 hours of work activity per week while most reported 40 clinical hours worked based on an average of 20 clients per week. Nationally, the average client load is 20-25 clients per week. A second variable related to larger salaries was found for those



psychologists who frequently provide expert witness testimony, where greater increases in salary related to the frequency of court appearances  $r=.41$ ,  $p < .001$ . Interestingly, the data revealed no statistically significant differences between masters and doctoral level psychologists ( $p < .26$ ) (M.S.=\$52K, Ph.D.=\$63K, and \$50K, \$51K medians respectively). Doctoral level psychologists earn larger mean salaries overall, however median salaries are practically identical. This suggests advanced academic training may reflect higher income, but does not necessarily limit master's earning capacity. The results also showed state licensure to be a better discriminator regardless of gender or degree when predicting a psychologist's average earning in Alaska. Licensed psychologists' mean income was \$63K while non-licensed professionals average income was \$48K. This difference was significant at the .05 level, independent of degree level. Medians were \$52K and \$50K respectively. Salary results for licensure by degree are presented in figure 3. There was no interaction.

Figure 4 presents the results for the Issue Prioritization with workers compensation reflecting the strongest agreement among those polled followed by Medicare coverage and privileged communication. Those issues with moderate agreement include the USSR joint research project with Alaskan psychologist participation, malpractice issues and tort reform. The most disagreement and split on opinion occurred on the limitation of the Ph.D. as the practicing degree and mixed neutral to strong opposition for mandatory Aids testing of employees in the workplace. Overall, third party issues seem to have a 60 to 70 percent agreement as an important priority for ALPA legislative efforts. Not surprisingly, the old age national controversy between masters versus doctoral level therapists is still alive and well with strong opposing opinions within as well as between degree levels.

Figure 5 displays interesting professional practice issues concerning fee structure, computer use and outside or lower 48 licensure. Sixty-five percent provide a sliding fee option for clients and 90% did not raise fees last year. Fifty-five percent or one out of two psychologists have a computer at home while 65% or two out of three use computers at the office. Only, 30% of psychologists or one-



third are licensed in one or more states other than Alaska. The majority or two-thirds of those licensed only maintain licensure in Alaska.

In summary, a typical Alaskan psychologist is likely to be either male or female, approximately 45 years of age and has lived in Alaska 7 to 10 years. This professional earns about \$50 to \$60 thousands annually, likely to possess a doctorate degree, maintain licensure and engages in full-time private practice. He or she counsels 20 clients per week, charges \$90 per session and finds 10% of fees uncollectable. Professionally, subscribes to 2-3 journals, attends 3 in-state conferences per year, travels to one out-of-state conference annually, and has a 33% chance of possessing a license outside of the state of Alaska. You may find these statistics interesting and useful in planning your practice and or establishing a career as a psychologist in Alaska.

Bruno M. Kappes, Ph.D, is a Licensed Psychologist and a Professor of Psychology and Health Sciences at the University of Alaska Anchorage. He also serves as Executive Officer for the Alaska Psychological Association.

Sonya M. Plourde, is a Research Assistant in the Department of Psychology, University of Alaska Anchorage.

Senator:

3/8/89.

Paul Craig -  
Came by and thanked  
the committee for  
hearing his testimony.

⌘  
Dropped off this packet  
for you.

DCM.

## 1988 ALPA SURVEY STATISTICS

<u>TOPIC</u>	<u>x</u>	<u>S.D.</u>	<u>Mode</u>	<u>Median</u>	<u>Range</u>	<u>N</u>
AGE	43.8	8.4	45	43.5	29-68	90
# OF YEARS IN PROFESSION	14.0	8.3	10	12.5	2-45	86
YEARS LIVED IN ALASKA	13.0	10.1	7	10	1-50	88
SALARY IN THOUSANDS OF \$	60.0	30.8	50	50	14-175	80
POPULATION IN CITY OF RESIDENCE	145.6	98.7	225	225	1-225	85
IF IN PVT. PRACTICE; % FULL TIME	90.9	20.7	100	100	10-100	85
# OF WEEKLY CLIENTS	20.4	11.3	20	20	1-55	71
# OF HRS./WK.	33.8	16.0	40	40	1-65	70
# OF MIN. IN INDIVIDUAL SESSION	55.0	9.5	50	55	30-90	67
# OF MIN. IN GROUP SESSION	89.4	25.9	90	90	45-150	33
% OF TIME SEEING CLIENTS IN HOSPITAL	25.5	34.8	5	10	1-100	35
% OF TIME SEEING CLIENTS IN OFFICE	82.5	23.4	100	90	10-100	63
% OF TIME SEEING CLIENTS IN HOME	16.6	12.2	30	15	3-30	8
% OF TIME SEEING CLIENTS IN SCHOOL	18.1	25.9	5	10	1-90	11
% OF TIME SEEING CLIENTS IN OTHER	29.0	29.3	5	20	5-100	18
% ALASKA NATIVE CLIENTS	14.8	21.9	5	5	0-100	73
% MINORITY (NOT NATIVE) CLIENTS	6.8	6.3	5	5	0-30	66
# OF TIMES EXPERT WITNESS/3 YRS.	4.5	7.5	0	2	0-40	76
# OF PROF JOURNALS SUBSCRIBE/YR.	3.2	2.6	2	3	0-15	87
# OF PROF. CONF. ATTENDED/ 3 YRS.	5.2	4.0	3	4	0-20	87
# OF PROF. MTGS OUTSIDE AK LAST YR.	1.4	1.9	0	1	0-10	33
# OF PROF PAPERS IN JOUR/3 YRS.	1.0	2.3	0	0	0-17	79
# OF PUB. PAPERS IN JOUR/3 YRS.	0.5	1.4	0	0	0-8	80
CHARGE FOR INDIV. SESS. \$/HR.	89.4	11.1	90	90	60-125	57
CHARGE FOR GROUP SESS. \$/HR.	44.0	15.2	40	45	20-95	27
% OF CHARGES UNCOLLECTED	8.3	10.0	10	5	0-50	50
% OF CLIENTS IMMEDIATE PMT. FOR SVCS.	68.5	76.1	50	50	10-100	52
% OF INCOME FROM INSURANCE COVERAGE	43.4	27.3	50	50	0-100	52
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SEX	46 MALES		43 FEMALES			89
FULL/PART TIME	75.3% FULL		24.7% PART			85
DOCTORAL	77.6% LIC		22.4% NONLIC			58
MASTERS	53.0% LIC		46.9% NONLIC			32
LICENSED OUTSIDE	31.5% YES		68.5% NO			73
IND/GP/BOTH WORK ENVIRONMENT	59.2% IND	0% GP ONLY	40.8% BOTH			71

Figure 1.

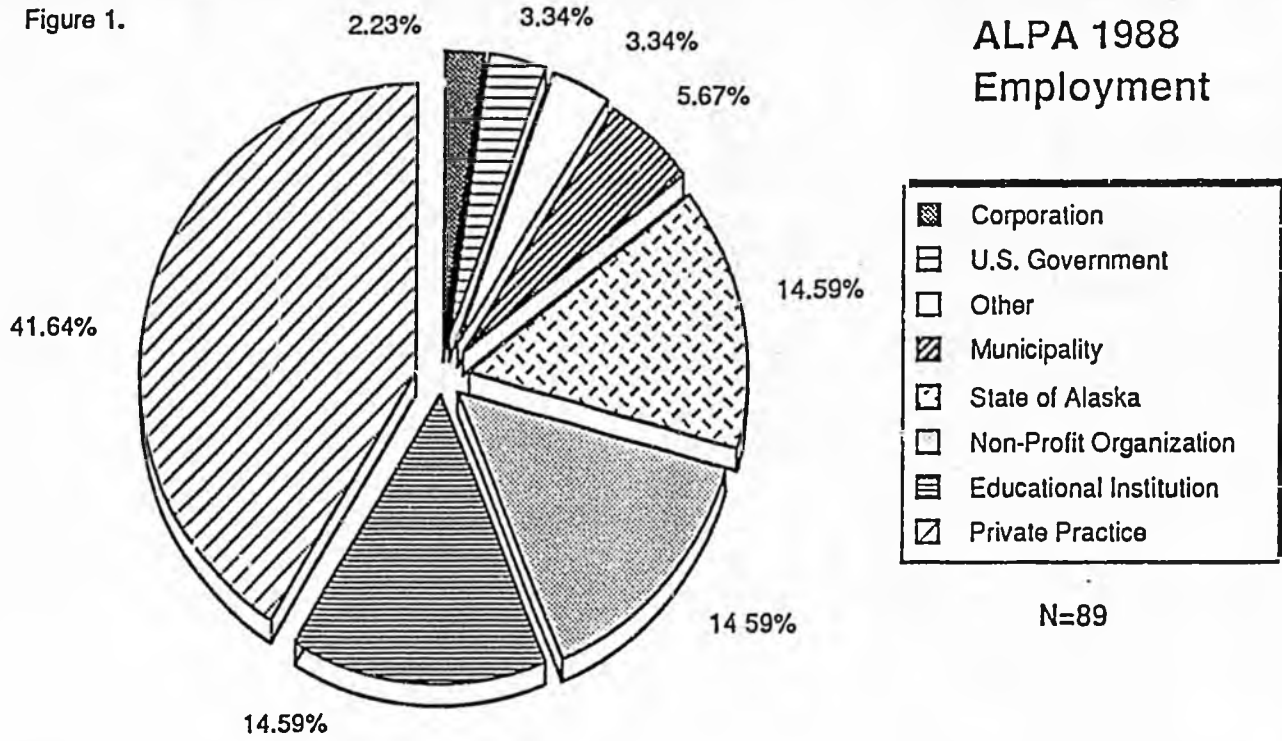


Figure 2.

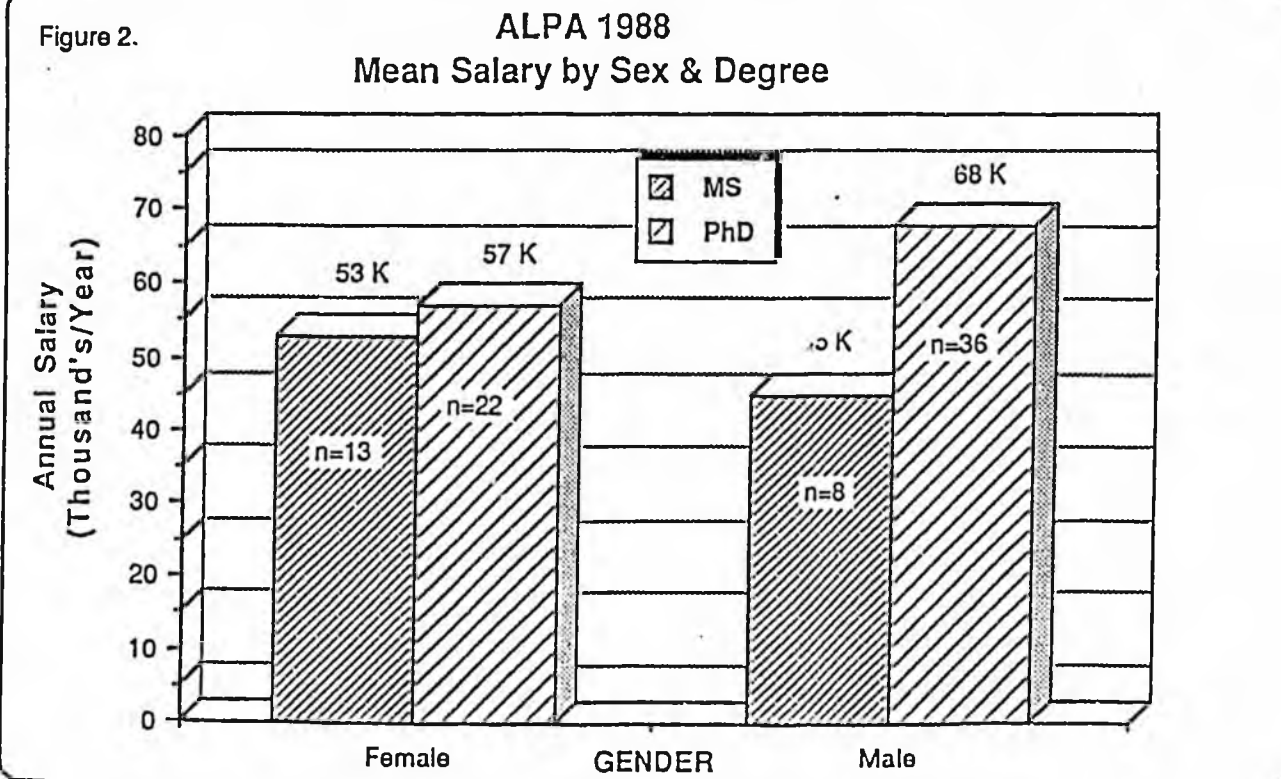


Figure 3.

MEAN SALARY BY LICENSE & DEGREE

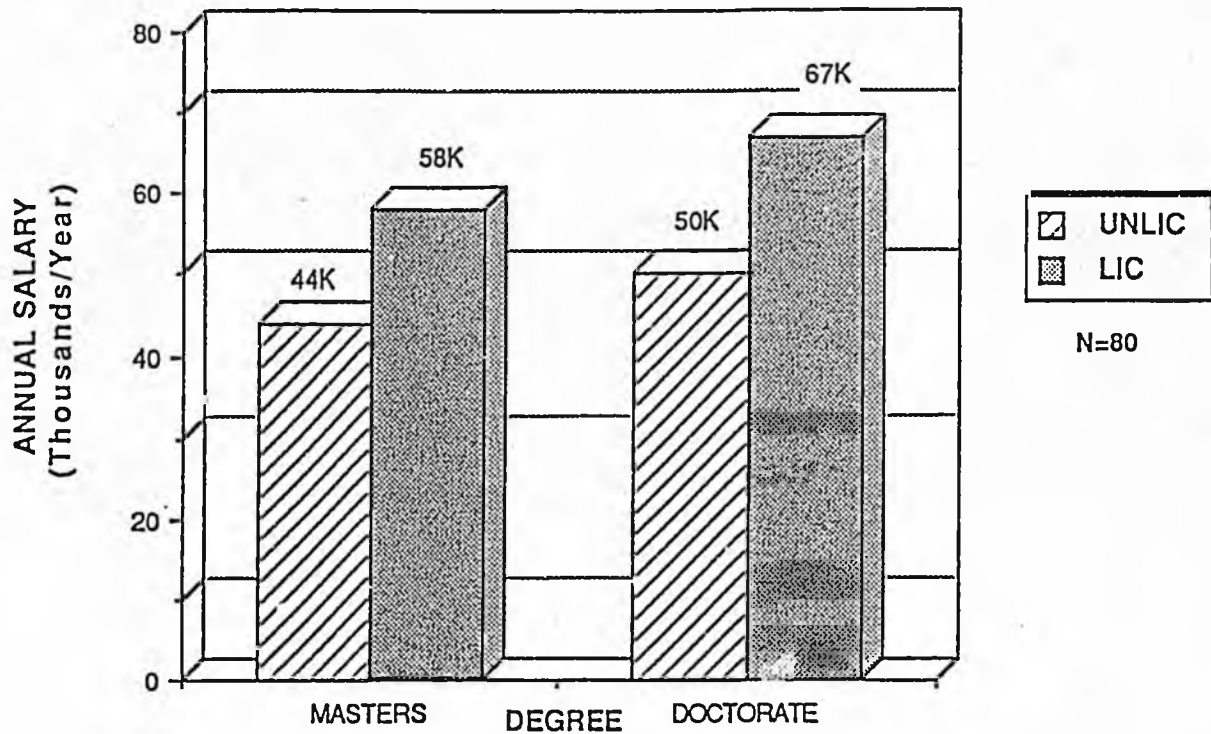


Figure 4.

ALPA 1988 PRIORITY ISSUES

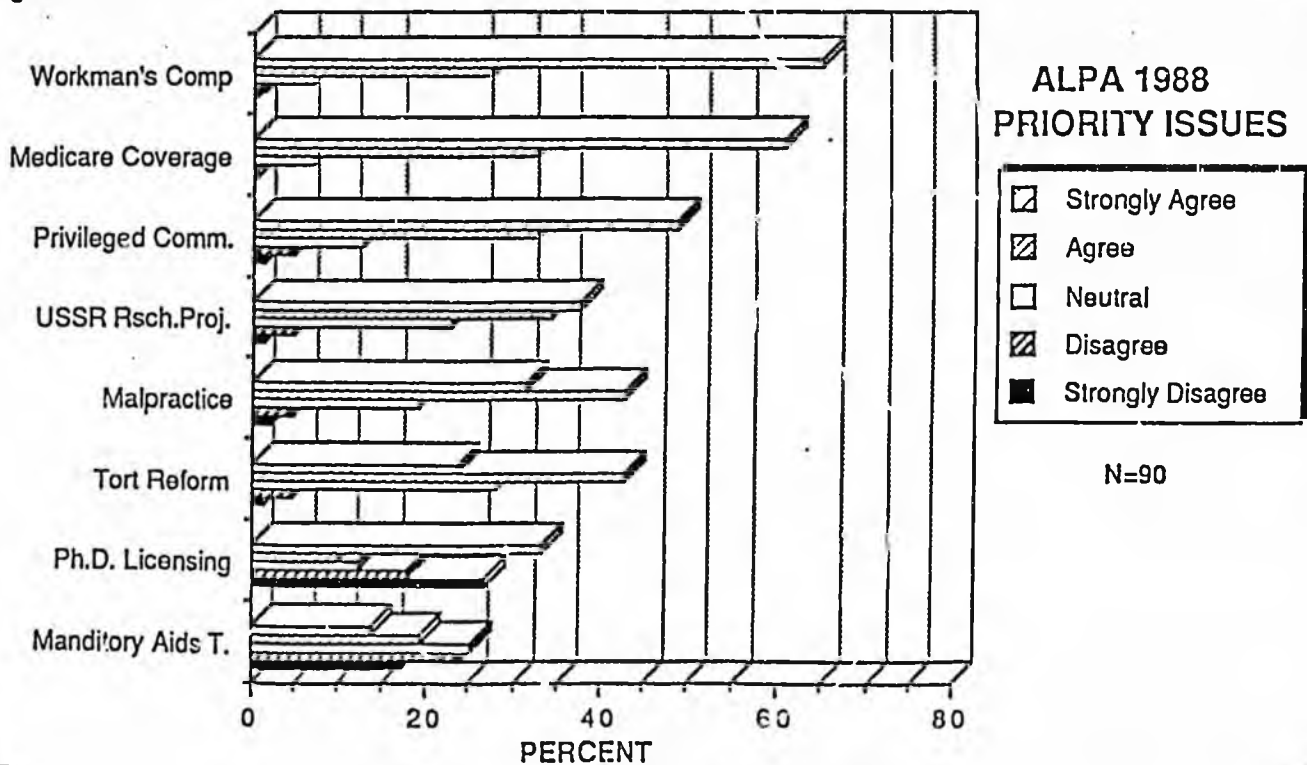
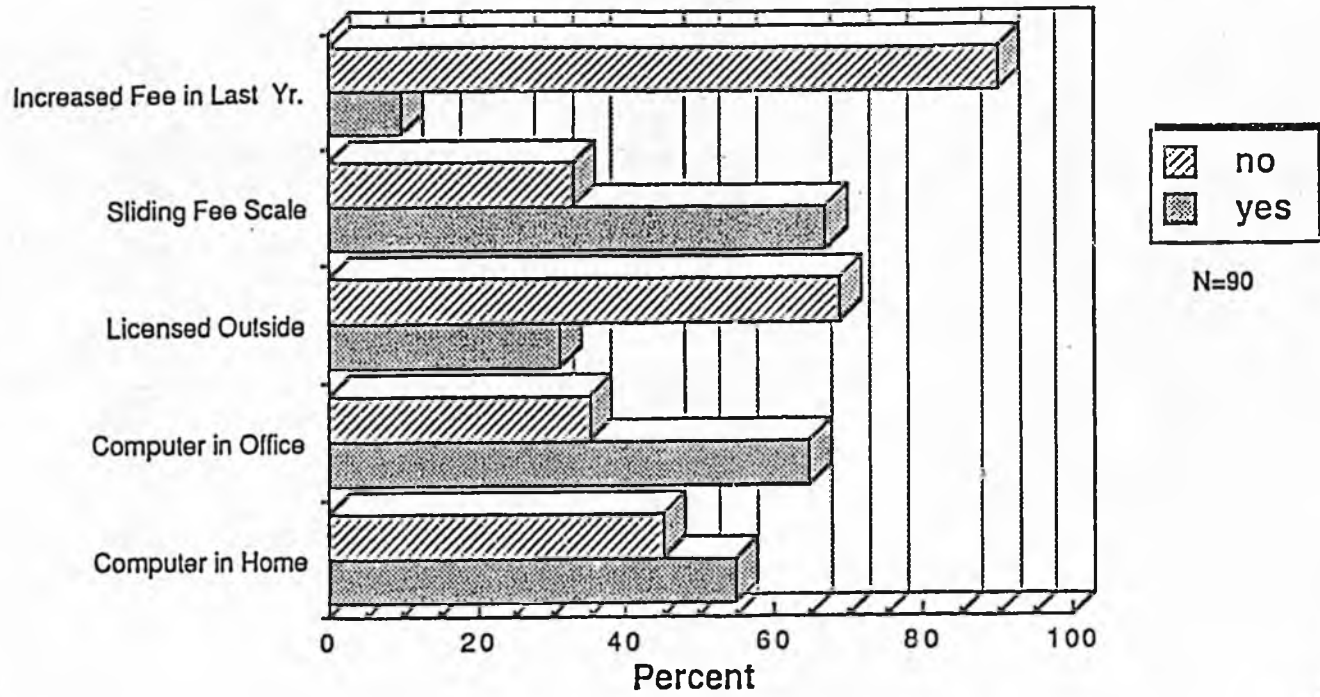


Figure 5.

### ALPA 1988 Practice Issues



## FISCAL NOTE

**REQUEST:**

Revision Date: 3/21/89  
Title: An Act relating to psychologists' services.

Agency Affected: Health and Social Services  
BRU: \_\_\_\_\_

Sponsor: Sturculewski and Kerttula  
Requestor: \_\_\_\_\_

Components: Medicaid Non-Facility/Claims Processing/Central Administration

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	29.5	29.5	29.5	29.5	29.5
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	66.5	67.6	69.5	71.5	73.5
SUPPLIES	0	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	0	5.4	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	291.2	644.5	713.4	789.6	874.0
MISCELLANEOUS	0	0	0	0	0	0
TOTAL OPERATING	0	394.1	743.1	813.9	892.1	978.5

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	189.2	356.0	390.9	429.5	472.1
FEDERAL FUNDS	0	204.9	387.1	423.0	462.6	506.4
OTHER	0	0	0	0	0	0
TOTAL	0	394.1	743.1	813.9	892.1	978.5

**POSITIONS:**

FULL-TIME	0	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS : (Attach a separate page if necessary)**

See attached analysis. As published, SB No. 29 has no effective date. The starting date of the addition of psychologists' services to the Medicaid Program is assumed to be January 1, 1990.

Prepared by: Kimberly B. Busch  
Division: Division of Medical Assistance

Phone: 465-3355  
Date: 3/21/89

Approved by Commissioner: [Signature]  
Agency: Dept. of Health & Social Services

Date: 3/21/89

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

*New*



SB No. 29  
Fiscal Note Attachment  
Cost Analysis for Psychologists' Services

I. Contractual Costs

- (a) The Alaska Medical Payments System will require modification to pay psychologists as a new service. The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for psychologists' services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test. This is a one-time FY90 cost of 30.0. (15.0 FED, 15.0 SGFM)
- (b) The Division of Medical Assistance must pay the claims processing contractor \$6.23 for each claim processed. Estimated claims volume for FY90 is 5,000, assuming that January 1, 1990 start date. FY90 processing costs = 31.2. Claims volume increases by 3% each year, but the \$6.23 per claim cost will not increase. All costs of claims processing are 75% FED, 25% SGFM.

II. Personnel and Related Costs

The Medical/Surveillance and Utilization Review Unit (SURS) has six staff, including a medical doctor, two RN's, a health planner and a research analyst. The unit has a dual focus:

1. Medical review, which is primarily prior authorization of specific medical services which often require extensive verbal and/or written exchange of information.
2. Pre-payment and post-payment review of claims, a review which often requires extensive verbal and/or written exchange of information.

Prior to completion of the Medicaid Management Information System (MMIS), the Division did not have a dedicated Surveillance and Utilization Review Unit. The staff responsible for medical review received clerical support from the Clerk Typist III, which also supported the nine staff in the system management unit. The addition of the increased claims volume and the associated required medical review functions necessitates the addition of a dedicated Clerk Typist III to the SURS/Medical Review Unit to provide efficient support to the unit. The dedicated clerical support will provide typing, filing, phone/reception, travel, supply, MMIS and Alaska State Accounting System (AKSAS) report monitoring and distribution, and MMIS system change order preparation and monitoring. This position will require a personal computer to function effectively.

This position and supporting costs are requested in the FY90 budget to cover the current and projected needs of the unit. If that request is granted, the amount indicated for this position can be deleted from this fiscal note.



	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Personal Services					
Clerk Typist III (PFT)					
Range 8/A (\$1631/mo.					
plus \$549 benefits)	29.5	29.5	29.5	29.5	29.5
Travel	-0-				
Contractual					
Communications	.5				
Risk Management	.3				
Office space	<u>4.5</u>				
Total Contractual	5.3	5.3	5.3	5.3	5.3
Supplies	1.5	1.5	1.5	1.5	1.5
Equipment					
Microcomputer					
Hardware & software	4.0				
Desk, chair, file					
cabinet & bookcase	<u>1.4</u>				
Total Equipment	<u>5.4</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL</b>	<u><b>41.7</b></u>	<u><b>36.3</b></u>	<u><b>36.3</b></u>	<u><b>36.3</b></u>	<u><b>36.3</b></u>

These costs are 50% FED, 50% SGFM.

III. New Grants/Claims Costs

- (a) There is no accurate method for determining the numbers of Medicaid eligibles who will use this new coverage, the numbers of providers who will choose to enroll, and the initial costs per type of service that they will provide. Cost estimates are based on the following assumptions:
- (1) 50 psychologists will enroll as providers, and this number will not increase in future years.
  - (2) Approximately 24 of these new providers are currently providing services indirectly, supervised by and/or billing through a psychiatrist. About half of these are billing Medicaid at a rate 15% lower than the rate charged by psychiatrists. Payments to the 12 now billing at the higher rate will be reduced by \$14,400 (15% reduction X \$8,000 current average psychiatrist's Medicaid billing per year, X 12 psychologists = \$14,400 Medicaid savings).
  - (3) Approximately 26 new providers will enroll, psychologists in private practice who are not currently serving Medicaid recipients. Alaska Psychological Association data indicates these new providers will see an average of 21 patients per week for a total of 34 hours per week, and that they charge \$90 per hour for private sessions.
  - (4) We assume that psychologists will not differ from other medical professionals enrolled as Medicaid providers, in that Medicaid patients will, on average, not exceed 15% of their total patient

Fiscal Note Attachment

Cost Analysis for Psychologists' Services

load. Cost for new providers will be 34 hours per week X \$90/hour X 15% X 50 weeks/year X 26 psychologists = \$596,700.

- (5) \$596,700 new costs minus \$14,400 savings = \$582,300 net costs for a full year of psychologists' services. The time required for data system changes, promulgation of regulations, and provider enrollment activities necessitate a starting date no earlier than January 1, 1990. FY 90 costs will therefore be 50% of a full year:
 

145.6	SGFM
145.6	Fed
<u>291.2</u>	Total

- (b) Costs for FY91 through FY94 are computed from the FY90 base estimate, increased each year by 3% for increases in utilization and by 7.46% for the costs of service. (7.46% is the percentage change in the Anchorage CPI from 1988 to 1989.)

Once a full year of data is available, future costs of this option can be influenced by further regulating the maximum amounts Medicaid will pay for each type of service and by imposing service maximums, such as per-client caps on total dollar usage of a particular service in any calendar year. Most states offering this coverage impose such controls. However, the states we contacted confirmed that, as is true in Alaska, mental health services utilization and costs tend to increase more rapidly than any other Medicaid services, and even stringent controls can do little more than retard this growth.

## FISCAL NOTE

**REQUEST:**

Revision Date: 3/21/89  
Title: An Act relating to psychologists' services.

Agency Affected: Health and Social Services  
BRU: \_\_\_\_\_

Sponsor: Sturcoulewski and Kerttula  
Requestor: \_\_\_\_\_

Components: Medicaid Non-Facility/Claims Processing/Central Administration

**EXPENDITURES/REVENUES: (Thousands of Dollars)**

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES	0	29.5	29.5	29.5	29.5	29.5
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	0	66.5	67.6	69.5	71.5	73.5
SUPPLIES	0	1.5	1.5	1.5	1.5	1.5
EQUIPMENT	0	5.4	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	0	291.2	644.5	713.4	789.6	874.0
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>0</b>	<b>394.1</b>	<b>743.1</b>	<b>813.9</b>	<b>892.1</b>	<b>978.5</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING: (Thousands of Dollars)**

GENERAL FUND	0	189.2	356.0	390.9	429.5	472.1
FEDERAL FUNDS	0	204.9	387.1	423.0	462.6	506.4
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>394.1</b>	<b>743.1</b>	<b>813.9</b>	<b>892.1</b>	<b>978.5</b>

**POSITIONS:**

FULL-TIME	0	1	1	1	1	1
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS : (Attach a separate page if necessary)**

See attached analysis. As published, SB No. 29 has no effective date. The starting date of the addition of psychologists' services to the Medicaid Program is assumed to be January 1, 1990.

Prepared by: Kimberly B. Busch Phone: 465-3355  
Division: Division of Medical Assistance Date: 3/21/89

Approved by Commissioner: Maria M. Morrison Date: 3/21/89  
Agency: Dept. of Health & Social Services

**Distribution (by preparer):**

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

SB No. 29  
Fiscal Note Attachment  
Cost Analysis for Psychologists' Services

I. Contractual Costs

- (a) The Alaska Medical Payments System will require modification to pay psychologists as a new service. The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for psychologists' services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test. This is a one-time FY90 cost of 30.0. (15.0 FED, 15.0 SGFM)
- (b) The Division of Medical Assistance must pay the claims processing contractor \$6.23 for each claim processed. Estimated claims volume for FY90 is 5,000, assuming that January 1, 1990 start date. FY90 processing costs = 31.2. Claims volume increases by 3% each year, but the \$6.23 per claim cost will not increase. All costs of claims processing are 75% FED, 25% SGFM.

II. Personnel and Related Costs

The Medical/Surveillance and Utilization Review Unit (SURS) has six staff, including a medical doctor, two RN's, a health planner and a research analyst. The unit has a dual focus:

1. Medical review, which is primarily prior authorization of specific medical services which often require extensive verbal and/or written exchange of information.
2. Pre-payment and post-payment review of claims, a review which often requires extensive verbal and/or written exchange of information.

Prior to completion of the Medicaid Management Information System (MMIS), the Division did not have a dedicated Surveillance and Utilization Review Unit. The staff responsible for medical review received clerical support from the Clerk Typist III, which also supported the nine staff in the system management unit. The addition of the increased claims volume and the associated required medical review functions necessitates the addition of a dedicated Clerk Typist III to the SURS/Medical Review Unit to provide efficient support to the unit. The dedicated clerical support will provide typing, filing, phone/reception, travel, supply, MMIS and Alaska State Accounting System (AKSAS) report monitoring and distribution, and MMIS system change order preparation and monitoring. This position will require a personal computer to function effectively.

This position and supporting costs are requested in the FY90 budget to cover the current and projected needs of the unit. If that request is granted, the amount indicated for this position can be deleted from this fiscal note.

	<u>FY90</u>	<u>FY91</u>	<u>FY92</u>	<u>FY93</u>	<u>FY94</u>
Personal Services					
Clerk Typist III (PFT)					
Range 8/A (\$1631/mo. plus \$549 benefits)	29.5	29.5	29.5	29.5	29.5
Travel	-0-				
Contractual					
Communications	.5				
Risk Management	.3				
Office space	<u>4.5</u>				
Total Contractual	5.3	5.3	5.3	5.3	5.3
Supplies	1.5	1.5	1.5	1.5	1.5
Equipment					
Microcomputer					
Hardware & software	4.0				
Desk, chair, file cabinet & bookcase	<u>1.4</u>				
Total Equipment	<u>5.4</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
<b>TOTAL</b>	<u><u>41.7</u></u>	<u><u>36.3</u></u>	<u><u>36.3</u></u>	<u><u>36.3</u></u>	<u><u>36.3</u></u>

These costs are 50% FED, 50% SGFM.

III. New Grants/Claims Costs

- (a) There is no accurate method for determining the numbers of Medicaid eligibles who will use this new coverage, the numbers of providers who will choose to enroll, and the initial costs per type of service that they will provide. Cost estimates are based on the following assumptions:
- (1) 50 psychologists will enroll as providers, and this number will not increase in future years.
  - (2) Approximately 24 of these new providers are currently providing services indirectly, supervised by and/or billing through a psychiatrist. About half of these are billing Medicaid at a rate 15% lower than the rate charged by psychiatrists. Payments to the 12 now billing at the higher rate will be reduced by \$14,400 (15% reduction X \$8,000 current average psychiatrist's Medicaid billing per year, X 12 psychologists = \$14,400 Medicaid savings).
  - (3) Approximately 26 new providers will enroll, psychologists in private practice who are not currently serving Medicaid recipients. Alaska Psychological Association data indicates these new providers will see an average of 21 patients per week for a total of 34 hours per week, and that they charge \$90 per hour for private sessions.
  - (4) We assume that psychologists will not differ from other medical professionals enrolled as Medicaid providers, in that Medicaid patients will, on average, not exceed 15% of their total patient

load. Cost for new providers will be 34 hours per week X \$90/hour X 15% X 50 weeks/year X 26 psychologists = \$596,700.

- (5) \$596,700 new costs minus \$14,400 savings = \$582,300 net costs for a full year of psychologists' services. The time required for data system changes, promulgation of regulations, and provider enrollment activities necessitate a starting date no earlier than January 1, 1990. FY 90 costs will therefore be 50% of a full year:
- |              |       |
|--------------|-------|
| 145.6        | SGFM  |
| 145.6        | Fed   |
| <u>291.2</u> | Total |

- (b) Costs for FY91 through FY94 are computed from the FY90 base estimate, increased each year by 3% for increases in utilization and by 7.46% for the costs of service. (7.46% is the percentage change in the Anchorage CPI from 1988 to 1989.)

Once a full year of data is available, future costs of this option can be influenced by further regulating the maximum amounts Medicaid will pay for each type of service and by imposing service maximums, such as per-client caps on total dollar usage of a particular service in any calendar year. Most states offering this coverage impose such controls. However, the states we contacted confirmed that, as is true in Alaska, mental health services utilization and costs tend to increase more rapidly than any other Medicaid services, and even stringent controls can do little more than retard this growth.

## FISCAL NOTE

**REQUEST:**

Revision Date: 2/13/90  
Title: An Act Relating to Psychologists' Services  
Sponsor: House HESS Committee  
Requestor: \_\_\_\_\_

Agency Affected: Health and Social Services  
BRU: Medical Assistance  
Medical Assistance Administration  
Components: Medicaid Non-Facility  
Claims Processing

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	61.2	71.4	81.8	93.7	107.4	123.1
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	291.2	703.8	862.6	1,049.8	1,277.6	1,554.9
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>352.4</b>	<b>780.2</b>	<b>944.4</b>	<b>1,143.5</b>	<b>1,385.0</b>	<b>1,678.0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND	168.4	372.2	451.7	548.3	665.6	803.2
FEDERAL FUNDS	184.0	408.0	492.7	595.2	719.4	869.8
OTHER	0	0	0	0	0	0
<b>TOTAL</b>	<b>352.4</b>	<b>780.2</b>	<b>944.4</b>	<b>1,143.5</b>	<b>1,385.0</b>	<b>1,678.0</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS :** (Attach a separate page if necessary)

See attached analysis. As published, HB No. 274 has no effective date. The starting date of the addition of psychologists' services to the Medicaid Program is assumed to be January 1, 1991.

Prepared by: Kimberly B. Bussen Phone: 465-3355  
Division: Division of Medical Assistance Date: 2-13-90

Approved by Commissioner: Theresa M. ... Date: 2-10-90  
Agency: Department of Health and Social Services

**Distribution (by preparer):**

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

POSITION PAPER/Department of Health & Social Services

(5) We assume that psychologists will not differ from other medical professionals enrolled as Medicaid providers, in that Medicaid patients will, on average, not exceed 15% of their total patient load. Cost for new providers will be 34 hours per week X \$90/hour X 15% X 50 weeks/year X 26 psychologists = \$596,700.

(6) \$596,700 new costs minus \$14,400 savings = \$582,300 net costs for a full year of psychologists' services. The time required for data system changes, promulgation of regulations, and provider enrollment activities necessitate a starting date no earlier than January 1, 1991. FY91 costs will therefore be 50% of a full year:

145.6	SGFM
145.6	FED
<u>291.2</u>	Total

(b) Costs for FY92 through FY96 are computed from the FY90 base estimate, adjusted for a full year, and increased annually by 21.7% (7.1% for price increases, 4.2% for increases in the number of eligible recipients, and 10.4% for utilization increases).

Claims processing costs are billed at \$6.23 per claim. For FY92 through FY96, FY91 costs, adjusted for a full year, are increased by 14.6% annually (4.2% for increases in the number of eligible recipients, and 10.4% for utilization increases).



# **CORRECTION**

**THIS DOCUMENT  
HAS BEEN REPHOTOGRAPHED  
TO ASSURE LEGIBILITY**

## FISCAL NOTE

**REQUEST:**

Revision Date: 2/13/90  
Title: An Act Relating to Psychologists' Services  
Sponsor: House HESS Committee  
Requestor: \_\_\_\_\_

Agency Affected: Health and Social Services  
BRU: Medical Assistance  
Medical Assistance Administration  
Components: Medicaid Non-Facility  
Claims Processing

**EXPENDITURES/REVENUES:** (Thousands of Dollars)

OPERATING	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96
PERSONAL SERVICES	0	0	0	0	0	0
TRAVEL	0	0	0	0	0	0
CONTRACTUAL	61.2	71.4	81.8	93.7	107.4	123.1
SUPPLIES	0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES	0	0	0	0	0	0
GRANTS, CLAIMS	291.2	708.8	862.6	1,049.8	1,277.6	1,554.9
MISCELLANEOUS	0	0	0	0	0	0
<b>TOTAL OPERATING</b>	<b>352.4</b>	<b>780.2</b>	<b>944.4</b>	<b>1,143.5</b>	<b>1,385.0</b>	<b>1,678.0</b>

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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**FUNDING:** (Thousands of Dollars)

GENERAL FUND	168.4	372.2	451.7	548.3	665.6	803.2
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<b>TOTAL</b>	<b>352.4</b>	<b>780.2</b>	<b>944.4</b>	<b>1,143.5</b>	<b>1,385.0</b>	<b>1,678.0</b>

**POSITIONS:**

FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

**ANALYSIS :** (Attach a separate page if necessary)

See attached analysis. As published, HB No. 274 has no effective date. The starting date of the addition of psychologists' services to the Medicaid Program is assumed to be January 1, 1991.

Prepared by: Kimberly B. Busch Phone: 465-3355  
Division: Division of Medical Assistance Date: 2-13-90

Approved by Commissioner: Wesley J. ... Date: 2-14-90  
Agency: Department of Health and Social Services

**Distribution (by preparer):**

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

House Bill No. 274  
Fiscal Note Attachment  
Cost Analysis for Psychologists' ServicesI. Contractual Costs

- a. The Alaska Medical Payments System will require modification to pay psychologists as a new service. The contractual costs include the following: provider manuals, training, a new claims form, tables included in the system for psychologists' services, computer programming, computer reports, the addition of collocation codes, the provision of notice to providers, provider relations, and a computer system test. This is a one-time FY91 cost of 30.0. (15.0 FED, 15.0 SGFM)
- b. The Division of Medical Assistance must pay the claims processing contractor \$6.23 for each claim processed. Estimated claims volume for FY91 is 5,000, assuming a January 1, 1991 start date. FY91 processing costs = 31.2. All costs of claims processing are 75% FED, 25% SGFM.

II. New Grants/Claims Costs

- a. There is no accurate method for determining the numbers of Medicaid eligibles who will use this new coverage, the numbers of providers who will choose to enroll, and the initial costs per type of service that they will provide. Cost estimates are based on the following assumptions:
  - (1) 50 psychologists will enroll as providers in the first year.
  - (2) Approximately 24 of these new providers are currently providing services indirectly, supervised by and/or billing through a physician or psychiatrist. About half of these are billing Medicaid at a rate 15% lower than the rate charged by psychiatrists. Payments to the 12 now billing at the higher rate will be reduced by \$14,400 (15% reduction X \$8,000 current average psychiatrist's Medicaid billing per year, X 12 psychologists = \$14,400 Medicaid savings).
  - (3) Logic suggests that billings from physicians and psychiatrists who supervise the psychologists now providing services to Medicaid eligibles would decrease if these psychologists were to enroll directly. However, experience in other states that have added psychologists' services has varied so much on this point that we cannot safely assume any decrease in current billings.
  - (4) Approximately 26 psychologists in private practice who are not currently serving Medicaid recipients will enroll. Alaska Psychological Association data indicates these new providers will see an average of 21 patients per week for a total of 34 hours per week, and that they charge \$90 per hour for private sessions.

POSITION PAPER/Department of Health & Social Services

(5) We assume that psychologists will not differ from other medical professionals enrolled as Medicaid providers, in that Medicaid patients will, on average, not exceed 15% of their total patient load. Cost for new providers will be 34 hours per week X \$90/hour X 15% X 50 weeks/year X 26 psychologists = \$596,700.

(6) \$596,700 new costs minus \$14,400 savings = \$582,300 net costs for a full year of psychologists' services. The time required for data system changes, promulgation of regulations, and provider enrollment activities necessitate a starting date no earlier than January 1, 1991. FY91 costs will therefore be 50% of a full year:

145.6	SGFM
145.6	FED
<u>291.2</u>	Total

(b) Costs for FY92 through FY96 are computed from the FY90 base estimate, adjusted for a full year, and increased annually by 21.7% (7.1% for price increases, 4.2% for increases in the number of eligible recipients, and 10.4% for utilization increases).

Claim processing costs are billed at \$6.23 per claim. For FY 90 through FY96, FY91 costs, adjusted for a full year, are increased by 14.6% annually (4.2% for increases in the number of eligible recipients, and 10.4% for utilization increases).



## Senate Health, Education and Social Services Committee

Senator Paul Fischer, Chairman

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Senator:

According to Occupational Licensing, the Dept. of Commerce has 147 current Licensed psychologists.

Out of 147 licensed psychologists, 19 are licensed to work as Psychological Associates.

H&SS

The Department accounts for only 50 psychologists to enroll as providers in the first year.

Of this figure of 50 new providers, they claim that 24 are currently enrolled.

The actually number, or potential number of psychologists able to enroll is far greater than what is stated in the fiscal note.

DCM

3/20/40



Senate Health, Education and  
Social Services Committee

Senator Paul Fischer, Chairman

SB 29

Dr. Russell Huffman

P.O. Box 9435

Ketchikan, AK 99901

225-8900

1. No oversight or Accountability
2. Disclaimers before treatment
3. Teleconference Ann.
4. State Medical Ass.

the division before admission to the hospital; failure to obtain authorization will result in nonpayment regardless of the eligibility of the recipient or the appropriateness of the services.

(b) Except as provided in this subsection, the division will not pay for more than one physician visit in a 30-day period for a patient in either a skilled nursing or an intermediate care facility. The division will, in its discretion, pay for additional visits if written justification, acceptable to the division, accompanies the bill for the physician visit. (Eff. 8/18/79, Register 71; am 3/25/83, Register 85; am 7/1/85, Register 95; am 9/25/85, Register 95)

Authority: AS 47.05.010  
AS 47.07.030  
AS 47.07.050

**7 AAC 43.120. X-RAY SERVICES.** Diagnostic and follow-up X-rays do not require prior approval by the division, but films must be made available to the division on request. (Eff. 8/18/79, Register 71)

Authority: AS 47.05.010  
AS 47.07.030  
AS 47.07.050

**7 AAC 43.125. LABORATORY SERVICES.** (a) A physician using his or her own laboratory to provide necessary laboratory services will be reimbursed according to the medicare fee schedule in 42 C.F.R. 405.515.

(b) A physician using the services of an independent laboratory shall request services for a recipient in the same manner that services are requested for a private patient.

(c) An independent laboratory certified by the department, or certified by the state medicaid agency or medicare if located out-of-state, may bill the division directly. Reimbursement for clinical laboratory tests will be made by the division according to the medicare fee schedule in 42 C.F.R. 405.515. (Eff. 8/18/79, Register 71; am 3/30/88, Register 106)

Authority: AS 47.05.010  
AS 47.07.050

**7 AAC 43.130. PSYCHIATRIC SERVICES.** (a) Payment to a physician for psychotherapy services will be provided without prior authorization for services to recipients on an outpatient basis.

(b) Services by a psychologist, social worker or nurse are not covered outside of a psychiatric facility or general hospital except when provided through a community mental health clinic enrolled as a provider in the medicaid program. (Eff. 8/18/79, Register 71)

§ 47.05.070

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§ 47.07.020 WELFARE, SOCIAL SERVICES & INSTITUTIONS § 47.07.020

(b) If the department provides or pays for medical assistance for injury or illness under this title, the department is subrogated to the rights of the recipient of that medical assistance for any claim arising from the injury or illness and to the proceeds of an insurance policy covering the injury or illness to the extent of the value of the medical assistance provided.

(c) If a recipient of medical assistance under this title settles a claim or obtains an award of judgment arising from the injury or illness for which the medical assistance was received, the department shall reimburse the recipient for attorney fees and costs commensurate with the amount of the settlement, award, or judgment to which the department is entitled under (b) of this section. Regardless of the manner in which the amount of the attorney fees is derived, reimbursement of attorney fees shall be in accordance with the applicable rules of court governing the award of attorney fees in civil matters.

(d) The department is authorized to enter into contracts for the collection of medical expenses already paid by Medicaid from potential third-party payors. The department may pay, from the funds recovered by the contractor, any amounts owing to the federal government as its share of the Medicaid paid claim, and the costs of collecting the funds. (§ 2 ch 105 SLA 1986)

**Chapter 07. Medical Assistance for Needy Persons.**

<b>Section</b>	<b>Section</b>
20. Eligible persons	70. Payment to health facilities
30. Medical services to be provided	180. Duties
35. Priority of medical assistance	900. Definitions
40. State plan for provision of medical assistance	

**Sec. 47.07.020. Eligible persons.** (a) All residents of the state for whom the Social Security Act requires medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 601 — 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children) or 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act, Supplemental Security Income);

(2) persons in a general hospital, skilled nursing facility or intermediate care facility, who, if they left the facility, would be eligible for



assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of 42 U.S.C. 601 — 615 (Title IV-A, Social Security Act, Aid to Families with Dependent Children);

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal aid to families with dependent children program;

(10) pregnant women, and children five years of age or younger, with a household income that does not exceed 100 percent of the federal poverty level.

(c) Receipt of medical assistance under this chapter is considered to be an additional benefit to these individuals and does not affect other assistance payments, federal or state, for which the recipient is eligible.

(d) Additional groups may not be added unless approved by the legislature.

(e) Notwithstanding (b) (4) of this section, a person is not eligible for medicaid benefits until a final determination is made on the eligibility of that person for benefits under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act). (§ 1 ch 182 SLA 1972; am § 1 ch 105 SLA

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§ 47.07.030 WELFARE, SOCIAL SERVICES & INSTITUTIONS § 47.07.035

1974; am § 1 ch 117 SLA 1975; am § 1 ch 221 SLA 1976; am § 1 ch 11 SLA 1978; am § 1 ch 132 SLA 1982; am § 13 ch 138 SLA 1982; am § 3 ch 105 SLA 1986; am § 1 ch 119 SLA 1988)

**Effect of amendments.** — The 1986 amendment in subsection (b) in paragraphs (3), (5) and (7) substituted "age 21 who are" for "21 years of age," in paragraph (8) substituted "age 21 and not covered under (a) of this section," for "21 years of age" and "except that they have the care and support of both their natural and adoptive parents" for "but who do not qualify because they are not dependent children," in paragraph (9) deleted

"women who are" at the beginning of the paragraph and added the language beginning "women not covered," made minor punctuation changes in paragraph (3), inserted "and" following "mentally retarded" in paragraph (5), and inserted "and" following "psychiatric hospital" in paragraph (7).

The 1988 amendment inserted subsection (b)(10).

**Sec. 47.07.030. Medical services to be provided.** (a) The department shall offer all mandatory services required under 42 U.S.C. 1396 — 1396p (Title XIX of the Social Security Act).

(b) In addition to the mandatory services specified in (a) of this section, the department may offer only the following optional services: case management and nutrition services for pregnant women; personal care services in a recipient's home; emergency hospital services; long-term care noninstitutional services; medical supplies and equipment; clinic services; inpatient psychiatric facility services for individuals age 65 or older and individuals under age 21; physical therapy; occupational therapy; chiropractic services; treatment of speech, hearing, and language disorders; adult dental services; prosthetic devices and eyeglasses; optometrists' services; intermediate care facility services, including intermediate care facility services for the mentally retarded; skilled nursing facility services for individuals under age 21; and reasonable transportation to and from the point of medical care. (§ 1 ch 182 SLA 1972; am § 1 ch 35 SLA 1973; am § 2 ch 105 SLA 1974; am § 1 ch 12 SLA 1976; am § 2 ch 221 SLA 1976; am § 1 ch 82 SLA 1978; am § 25 ch 40 SLA 1981; am § 2 ch 132 SLA 1982; am § 1 ch 20 SLA 1986; am § 4 ch 105 SLA 1986; am § 2 ch 119 SLA 1988)

**Cross references.** — For program authorizing payment for prescribed drugs during fiscal year 1989, see ch. 120, SLA 1988 in the Temporary and Special Acts.

**Effect of amendments.** — The 1986 amendment rewrote this section. The

1986 amendment of this section by ch. 20 was incorporated in ch. 105.

The 1988 amendment inserted "case management and nutrition services for pregnant women" in subsection (b).

**Sec. 47.07.035. Priority of medical assistance.** If the department finds that the cost of medical assistance for all persons eligible under this chapter will exceed the amount allocated in the state budget for that assistance for the fiscal year, the department shall eliminate coverage for optional medical services and optionally eligible groups of individuals in the following order:

- (1) chiropractic services;
- (2) adult dental services;
- (3) emergency hospital services;
- (4) treatment of speech, hearing, and language disorders;
- (5) optometrists' services and eyeglasses;
- (6) occupational therapy;
- (7) prosthetic devices;
- (8) medical supplies and equipment;
- (9) clinic services;
- (10) physical therapy;
- (11) personal care services in a recipient's home;
- (12) long-term care noninstitutional services;
- (13) inpatient psychiatric facility services;
- (14) intermediate care facility services for the mentally retarded;
- (15) intermediate care facility services;
- (16) pregnant women, and children five years of age or younger, with a household income that does not exceed 100 percent of the federal poverty level;
- (17) individuals under age 21 who are not eligible for benefits under the federal aid to families with dependent children program because they are not deprived of one or more of their natural or adoptive parents;
- (18) skilled nursing facility services for persons under age 21;
- (19) aged, blind, and disabled individuals who, because they do not meet the income requirements, do not receive supplemental security income under Title XVI of the Social Security Act, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility, to receive an optional state supplementary payment;
- (20) individuals in a hospital, skilled nursing facility, or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under Title XVI of the Social Security Act, but who, because of income, are not eligible for the optional state supplementary payment;
- (21) individuals under age 21 under supervision of the department, for whom maintenance is being paid in whole or in part from public money and who are in foster homes or private child-care institutions. (§ 3 ch 132 SLA 1982; am § 2 ch 20 SLA 1986; am § 5 ch 105 SLA 1986; am § 3 ch 119 SLA 1988)

**Cross references.** — For program authorizing payment for prescribed drugs during fiscal year 1989, see ch. 120, SLA 1988 in the Temporary and Special Acts.

**Effect of amendments.** — The 1986 amendment rewrote this section. The

1986 amendment of this section b, ch. 20 was incorporated in ch. 105.

The 1988 amendment inserted present paragraph (16) and redesignated former paragraphs (16)-(20) as present paragraphs (17)-(21).

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## ARKANSAS continued

mental health clients. In addition, he/she evaluates quarterly treatment plans for each client. The MD psychiatrist is the one ultimately responsible for the quality of treatment each client receives at the mental health center.

### SERVICES FOR OVER 65 FOR MENTAL DISEASES

- Hospital (see inpatient).
- SNF.
- ICF.

### INPATIENT PSYCHIATRIC HOSPITAL SERVICES FOR INDIVIDUALS UNDER 22

• Provided with limitations—Patients must be certified as needing intensive psychiatric care by an independent team as mandated in federal regulations.

• Includes coverage for the medically needy. However, SNF, ICF, are not included under this group.

## CALIFORNIA

### INPATIENT HOSPITAL

- Patients over 65 in institutions for mental diseases—No limits.
- Inpatient general hospital including psychiatric units—Limitations on length of stay are set by the state's Hospital Length of Stay Schedule unless additional stay authorized; authorized extensions of up to 1 month for acute care; nonemergency care requires prior authorization; emergency care must obtain authorization on the day of admission or 1st working day thereafter.

### OUTPATIENT HOSPITAL

- Psychology services—Limited to a maximum of two services, or as part of any combination of 2 services per month. Services include: psychodiagnostic testing; individual, group, and family therapy; medication; crisis intervention; and day care (day care intensive or day care rehabilitative).

### PHYSICIAN SERVICES

- More than 8 psychiatric visits in a 120-day period require prior authorization except in emergencies.


### NONPHYSICIAN SERVICES

Psychologists—With limitations noted in outpatient section.

### CLINIC SERVICES

- In California there are two parallel publicly funded mental health systems. One is the fee-for-service Medi-Cal System (Title XIX) administered by the State Department of Health Services. California's other system is the Short-Doyle System administered by the State Department of Mental Health. Specified medically supervised outpatient services rendered to Medi-Cal eligibles by certified clinics or licensed hospitals directly operated by or under contract with the county government and approved by the department are paid for by Short-Doyle/Medi-Cal. Identical services rendered to noneligibles are paid for by the state (90 percent) and county (10 percent) government. A broad range of mental health rehabilitation services are offered to both Medi-Cal eligibles and noneligibles by county-operated and contract providers. These services are underwritten in their entirety by state and county general funds.
- Mental health clinics certified by the Department of Health Services—Basic services include:
  - a) psychiatric/psychological diagnosis;
  - b) prescription of psychotropic medications;
  - c) individual and/or group therapy.

continued on next page

 Indicates states with Medicaid reimbursement for psychologists

Mental Health Benefits Under  
Medicaid

January 1984

Intergovernmental Health Policy  
Project  
George Washington University  
Washington, D.C.



## CONNECTICUT

### INPATIENT HOSPITAL

- Acute care and psychiatric care in a general hospital—no limits.

### OUTPATIENT HOSPITAL

- Services include: psychiatric clinic; psychiatric evaluation; psychiatric day care; psychiatric night care; individual, group and family therapy; psychiatric testing; and electric shock treatment.
- All services require prior authorization in excess of 13 visits in a 90-day period.

### PHYSICIAN SERVICES

- Psychiatric evaluation limited to 1 a year.
- Psychiatrists' services limited to 1 visit a day for the same service.

### NONPHYSICIAN SERVICES

- Independent Psychologists (Ph.D.)
  - Diagnostic testing and psychotherapy; limited to 1 visit a day for the same service and 1 psychodiagnostic test of the same type a year.
  - Counseling and therapy services require prior authorization if treatment plan exceeds 13 visits in a 90-day period.
  - MD supervision is not required.

### CLINIC SERVICES

- Freestanding Mental Health Clinics for Adults 18 and Over—licensed by the Connecticut State Department of Health to provide mental health services.

—Service providers: psychologists, psychiatric nurses, psychiatric social workers, and mental health counselors may provide services under the direction of a psychiatrist.

—Services include: initial diagnosis; individual group and family psychotherapy; methadone maintenance treatment program.

—Limitations: group, family and individual therapy limited to 1 visit a day for the same service; prior authorization required for psychotherapy if treatment plan exceeds 13 visits in 90 days; methadone maintenance programs limited to payment of 1 clinic visit a week regardless of the number of daily clinic visits; maximum of 8 persons per group session.

- Freestanding Mental Health Clinics for Children—Providing psychiatric services for children and their families. Administered by the Connecticut State Department of Children and Youth Services.

—Service providers: psychologists, psychiatric nurses, psychiatric social workers, and mental health counselors may provide services under the direction of a psychiatrist.

—Services include: In addition to services included for adult clinics—parent interviews in connection with a child's diagnosis and treatment.

—Limitations: Same as adult clinics.

- Rehabilitation Centers

—Must be licensed by the state and meet federal requirements for 42 CFR 440.90. Psychological/psychiatric services may include evaluation, individual and group psychotherapy related to medical rehabilitation. Prior authorization is required for all treatment services.

## **DELAWARE\***

### **INPATIENT HOSPITAL**

- Patients 65 and older in IMD—no limits.

### **OUTPATIENT HOSPITAL**

- No limits.

### **PHYSICIAN SERVICES**

- No limits.

### **NONPHYSICIAN SERVICES**

- None provided applicable to mental health care.

### **CLINIC SERVICES**

- Provided—none applicable to mental health.

### **SERVICES FOR OVER 65 FOR MENTAL DISEASES**

- Hospital.
- SNF and ICF not provided.
- Categorically needy only. No medically needy program.

## **DISTRICT OF COLUMBIA**

### **INPATIENT HOSPITAL**

- Patients 65 or older in IMD when recommended by a psychiatrist.
- Acute hospital—after 30 days patients transferred to IMD.

### **OUTPATIENT HOSPITAL**

- All psychiatric and psychological services provided by D.C. Medicaid approved outpatient hospital clinic are covered.

### **PHYSICIAN SERVICES**

- Ambulatory psychiatric care requires prior authorization if it is not provided in an approved psychiatric clinic.

### **NONPHYSICIAN SERVICES**

- None provided applicable to mental health care.

### **CLINIC SERVICES**

- Free standing Mental Health Clinics certified by D.C. Department of Human Services—Reimbursable services include: a) individual psychotherapy; b) prescription visit; c) family therapy; d) family conference; e) complete psychological testing; f) group therapy.
- M.D. must certify services medically necessary and a treatment plan must be established by a physician or other qualified mental health professional which is periodically reviewed and approved by M.D.

### **SERVICES FOR OVER 65 FOR MENTAL DISEASES**

- Hospital—must have a recommendation by psychiatrist.
- SNF and ICF not provided.

### **OTHER DIAGNOSTIC, PREVENTIVE, AND REHABILITATIVE SERVICES**

- Other than those provided elsewhere in the program.
- Prior authorization is required.
- Performed in freestanding Mental Health Clinics, IMD, or by private physician.

### **INPATIENT PSYCHIATRIC SERVICES FOR INDIVIDUALS UNDER 21 OR UNDER 22 IF CONFINED BEYOND 21ST BIRTHDAY**

- Provided—no limitations.

## FLORIDA\*

### INPATIENT HOSPITAL

- Patients 65 or older in IMD—no limits.
- General hospital—up to 45 days per individual per fiscal year, July 1-June 30, in a participating hospital. Initial length of stay authorized based on PAS limits by diagnosis or based on a review system approved by HHS. Additional days may be authorized by hospital's utilization review committee if deemed medically necessary.

### OUTPATIENT HOSPITAL

- Must be under direction of physician—up to \$500 per eligible individual per fiscal year to include preventive, diagnostic, therapeutic or palliative care.
- Emergency room service and clinic visits are reimbursable for most diagnostic codes indicating "mental disorders."

### PHYSICIAN SERVICES

- Limited to those psychiatrists who have been approved by Medicaid to provide services under the following specialties: psychiatry, child psychiatry, and psychoanalysis. Services must be personally rendered by psychiatrist with the exception of ancillary psychological testing.

### NONPHYSICIAN SERVICES

- Advanced registered nurse practitioners (ARNP) may deliver and be reimbursed directly for limited services under protocols developed collaboratively between the ARNP and the physician. Reimbursable services are limited to one ARNP contact a day per recipient except for emergency services.

### CLINIC SERVICES

- Limited to psychiatric services by or under the direction of a board-eligible or board-certified psychiatrist. Provider eligibility is limited to community mental health centers/clinics and comprehensive alcoholism treatment centers (defined by state law), and contracted with the state to provide mental health services in the community.
- Services include: day/night services; crisis intervention; individual therapy; multiclient therapy (i.e., group, family, psychodrama); vocational rehabilitation and counseling; sheltered workshop; social rehabilitation; psychiatric, psychological, psychoeducational, developmental, and psychosocial evaluations; precare and after care services.

### SERVICES FOR OVER 65 FOR MENTAL DISEASES

- Hospital (see inpatient hospital).
- SNF and ICF not provided.

- Categorically needy only. No medically needy program.

## GEORGIA

### INPATIENT HOSPITAL

- Payment for inpatient hospital services is limited to a per case rate. On January 1, 1983, the Georgia Department of Medical Assistance began implementing a prospective reimbursement system that provides a flat average payment per case to a hospital.

### OUTPATIENT HOSPITAL

- Must be prescribed or (in the case of emergency room services) determined to be medically necessary by an MD for preventive, diagnostic, therapeutic, rehabilitative, or palliative care.

### PHYSICIAN SERVICES

- Numerous limitations; however, none are applicable to mental health care.

### NONPHYSICIAN SERVICES

- Psychologists-psychotherapy limited to that provided by licensed psychologist on written referral of osteopath, physician, or casework agency. Psychological services cannot exceed 5 hours of evaluation and testing, and/or therapy per recipient per calendar year. Diagnostic interviews also covered.
- Services not covered: school psychologists regulated by State Board of Education; sensitivity training, encounter groups, or workshops; sexual competency training; education testing and diagnosis; marriage counseling; biofeedback; hypnotherapy; transcutaneous nerve stimulation.
- Psychologists' services are subject to the following copayments: 50 cents on service costs of \$10 or less; \$1 on service costs of \$11-\$25; \$2 on service costs of \$26-\$50; and \$3 on service costs of \$51 or more.

### CLINIC SERVICES

- Limited to services in: qualified outpatient mental health clinics, excluding payment for medication monitoring; and services in qualified family planning clinics. Covered services include: diagnostic assessment; partial hospitalization; day treatment; methadone maintenance; ambulatory detoxification; nursing assessment and care; physical, speech, hearing and occupational therapies; activity therapy; medication administration; individual, family, group and crisis therapy; and crisis management.
- Not covered: mental health services provided by community mental health centers to patients at their residences or in SNFs, ICFs and residential care facilities.

- Categorically needy only. No medically needy program.



## HAWAII

### INPATIENT HOSPITAL

- Inpatient hospital admission for psychiatric care is initially authorized for 10 days. Approval for extension of hospital stay for psychiatric care is limited to 18 days. Prior authorization is required for nonemergency admission.

### OUTPATIENT HOSPITAL

- Outpatient psychiatric services are initially authorized for 4 visits during a 12 month period. Additional visits may be provided following the approval of an extension request.

### PHYSICIAN SERVICES

- Provided with limitations however, none are applicable to mental health care.

### NONPHYSICIAN SERVICES

- Clinical Psychologists—require referral by the attending physician for testing or for treatments. Testing is limited to emotional disorder, brain damage, mental retardation, or other special purposes and requires prior authorization.

### CLINIC SERVICES

- Same limitations as outpatient psychiatric services.

### SERVICES FOR OVER 65 FOR MENTAL DISEASES

- Hospital, SNF and ICF are not provided.

### OTHER DIAGNOSTIC, SCREENING, PREVENTIVE, AND REHABILITATIVE SERVICES

- Other than those provided elsewhere under the program.

## IDAHO\*

### INPATIENT HOSPITAL

- Length of stay in general hospital is subject to professional review for appropriateness and necessity, but may not exceed 40 days per year.

### OUTPATIENT HOSPITAL

- All psychiatric and psychological services listed under CLINIC SERVICES are covered in this setting. The same limitations which apply to clinic services apply to outpatient hospital.

### PHYSICIAN SERVICES

- Provided with limitations. Mental health services subject to same limitations which apply to clinic services.

### NONPHYSICIAN SERVICES

- None provided applicable to mental health care.

### CLINIC SERVICES

- Preventive, diagnostic, therapeutic, rehabilitative, or palliative items or services furnished to outpatients by or under direction of M.D.
- May include services provided by community mental health centers which meet the standards and guidelines of the Federal Comprehensive Community Mental Health Act, and by private clinics under the direction and supervision of a physician.
- Mental health clinic services are limited as follows: a) psychotherapy to 45 hours per calendar year; b) partial care services treatment to 30 hours a week; and c) evaluation and diagnostic services are limited to 12 hours per calendar year.
- Above services may also be provided by Adult and Child Development Centers.
- Other mental health professionals covered and reimbursed by clinic include:
  - Psychologist—Ph.D., Ed.D., M.A./M.A.
  - Social Worker—Licensed Certified, Licensed.
  - Psychiatric Nurse—R.N.
  - Mental Health Rehabilitation Specialist
  - Registered Occupational Therapist—O.T.R. (partial care services only).

### OTHER DIAGNOSTIC, SCREENING, PREVENTIVE, AND REHABILITATIVE SERVICES

- Medical/social and psychological evaluations (limited to 12 hours per calendar year).
  - Psychotherapy services (limited to 45 hours per calendar year).
  - Developmental and occupational therapy (limited to 30 hours a week).
- \* Categorically needy only. No medically needy program.

## **ILLINOIS**

### **INPATIENT HOSPITAL**

- Psychiatric care in general hospital cannot exceed an initial 20 consecutive days, except that a hospital not enrolled to provide this care can provide it for up to 72 hours in emergencies. Days of care beyond 20 require prior approval. Prior approval will not be granted unless psychiatrist certifies that recipient is actively homicidal or suicidal.
- Payment for all types of covered general hospital care cannot exceed the number of days approved for the recipient's care by the appropriate utilization review authority. Day of admission covered but day of discharge is not.
- Patients 65 or over in IMD-no limits.

### **OUTPATIENT HOSPITAL**

- No limits.

### **PHYSICIAN SERVICES**

- Reimbursable psychiatric procedures include: Medical psychotherapy; continuing medical/psychiatric diagnostic evaluation and psychotropic drug management; supervision and management of the patient's treatment program; relevant communication with significant others and psychiatric consultation; must be personally provided by physician who submits charges allowed for single service provided on a given day.

### **NONPHYSICIAN SERVICES**

- Psychological services limited to:\* (a) psychological examinations & tests to determine disability or incapacity when there is a question of mental illness or defect; (b) an examination needed to determine the suitability of a home for a child, or (c) an examination required for planning or arranging for foster care for a child.
- Payment for these purposes is made to a psychologist in private practice or to state aided community mental health center.

\*Those necessary to administer the Medicaid program and initiated at request of the Medicaid agency.

### **CLINIC SERVICES**

- Psychiatric clinics—services include control of medication, individual therapy, family therapy, group therapy, counseling, electric shock treatment, and diagnostic evaluation. Payment is made on a fee-for-service basis to enrolled psychiatrist.

## **SERVICES FOR OVER 65 FOR MENTAL DISEASES**

- Hospital
- SNF
- ICF

### **INPATIENT PSYCHIATRIC FACILITY SERVICES FOR UNDER 21 OR 22 IF CONFINED BEYOND 21st BIRTHDAY**

- Active care in JCAH-accredited facilities

## INDIANA\*

### INPATIENT HOSPITAL

- Patients 65 or older in IMD—Admission subject to prior review and authorization by the Department of Public Welfare. Attending staff physician must recertify, in writing every 60 days, the need for inpatient psychiatric hospital services.
- No limits for acute care in general hospital. Same for psychiatric units.

### OUTPATIENT HOSPITAL

- Same services and limits as listed under clinic services.

### PHYSICIAN SERVICES

- No limits wherever furnished.

### NONPHYSICIAN SERVICES

- Psychologists certified for independent practice.
- Payment made for diagnostic services subject to prior review and authorization. However, prior approval is not required for initial evaluation or for psychiatric testing by psychologist certified for independent practice. Prior approval is required for ongoing psychotherapy.

### CLINIC SERVICES

- Outpatient mental health centers provide group and individual outpatient psychiatric/psychological testing and evaluation, when services are provided by a physician, a certified psychologist, or an ACSW social worker. Psychiatrist directing service provision must be on site a minimum of 50% of the time. The psychiatrist is responsible for diagnosis and establishing a plan of treatment and for supervising the execution of that plan. He/she is responsible for seeing the recipient during the intake process and again at intervals not to exceed 60 days. Services subject to prior review and authorization. No prior approval required if physician provides service directly.

### SERVICES FOR OVER 65 FOR MENTAL DISEASES

- Hospital.
- SNF and ICF not provided.

### OTHER DIAGNOSTIC, PREVENTIVE, AND REHABILITATIVE SERVICES

- Other than those provided elsewhere in the program.

### INPATIENT PSYCHIATRIC FACILITY SERVICES FOR INDIVIDUALS UNDER 21, OR UNDER 22 IF CONFINED BEYOND 21ST BIRTHDAY

- Plan of care must be developed by interdisciplinary team. Each plan must be updated, in writing, at least every 30 days by the team.
- Categorically needy only. No medically needy program.

## IOWA\*

### INPATIENT HOSPITAL

- Patients 65 or older in IMD—Facility must be licensed by health department to provide inpatient psychiatric care and certified to participate in Medicare.
- No limit on acute care in general hospital except medical necessity. Same for psychiatric units.

### OUTPATIENT HOSPITAL

- Medically necessary psychiatric or psychological services normally provided in an outpatient setting. No specific limitations.

### PHYSICIAN SERVICES

- Provided with limitations. No mention of psychiatric services.

### NONPHYSICIAN SERVICES

- Reimbursement for psychologists' services, who practice independently and do not require M.D. supervision, and who meet the qualifications of the National Register of Health Care Providers in Psychology include:
  - individual outpatient psychotherapy or other psychological procedures, not to exceed 1 hour a week or 40 hours per calendar year;
  - couple, marital, family, or group outpatient therapy, limited to 1½ hours a week or 60 hours during a calendar year;
  - a combination of individual and group therapy may not exceed the cost of 40 individual therapy hours during a calendar year; and
  - psychological examinations and testing for purposes of evaluation, placement, psychotherapy, limited to 8 hours during a calendar year.
- Reimbursement for psychologists and social workers are also covered when there is a direct personal supervision by the physician and an employment relationship exists between the physician and the psychologist or social worker. Psychologist's services may be provided in the psychologist's office, the hospital or intermediate or residential care facility. Services in this category would be those incident to a physician.

### CLINIC SERVICES

- Community mental health centers that meet the standards of Iowa Mental Health Commission—Includes reasonable and necessary services performed by a psychiatrist, psychologist, social worker, or psychiatric nurse, supervised by the psychiatrist, all of whom are on the staff at the center. Initial patient evaluation must be made by the psychiatrist before submission of first claim. Within 4 weeks of the initial evaluation, the evaluation-therapist and psychiatrist must meet to delineate the diagnosis, treatment needs, and

continued next page

## **IOWA** continued

treatment plan. This must be recorded by the primary therapist and countersigned by psychiatrist and placed in patient's permanent record. Every 4 months thereafter the psychiatrist and primary therapist must review the case to evaluate and revise or change the treatment plan as necessary. The center must report additions or losses of professional staff to the fiscal agent within 10 days.

### **SERVICES FOR OVER 65 FOR MENTAL DISEASES**

- Hospital—See inpatient hospital.
- SNF and ICF not provided.

### **OTHER REHABILITATIVE SERVICES**

• Social and vocational adjustment counseling for problems arising from the patient's illness or injury provided by psychologists, social workers or professional vocational specialists under employment or supervision of M.D., hospital, home health agency or other providing agency.

### **INPATIENT PSYCHIATRIC FACILITY SERVICES FOR INDIVIDUALS UNDER 21, OR UNDER 22 IF CONFINED BEYOND 21ST BIRTHDAY**

- JCAH facility—No limitations.
- Categorically needy only. No medically needy program.

## **KANSAS**

### **INPATIENT HOSPITAL**

- Psychiatric care in general hospital limited to 14 days per admission unless preauthorized, as determined by the utilization review committee.
- Patients 65 or older in IMD—No limit.

### **OUTPATIENT HOSPITAL**

- Partial hospitalization limited to 168 hours per calendar quarter.

### **PHYSICIAN SERVICES**

- Limited to 2 hours of psychiatric office visits a month unless in EPSDT program. There can be 3 hours a month for up to 2 years of more extensive psychiatric care by prior authorization for children under EPSDT.
- Psychological testing and evaluation may not exceed 6 hours in any 2 consecutive calendar years and must have prior authorization except 3 hours per year is allowed without prior authorization for admission.
- \$1 copayment per visit for these services.

### **NONPHYSICIAN SERVICES**

- Psychologists: program covers limited psychological services by psychologist certified by the Behavioral Science Regulatory Board.

—*Psychological Office Visits*—May not exceed 2 hours of individual therapy, or 2 hours of group therapy, or any combination of these a month unless the recipient is a participant in EPSDT and psychological services do not exceed 3 hours a month. Up to 2 years of more extensive care is provided for EPSDT children under a plan of care. Prior authorization is required for the plan and is subject to a reimbursement limit established by the Secretary. Quarterly progress reports must be submitted to the Division of Medical Programs upon request.

—*Inpatient Hospital*—Limited to those ordered by recipient's physician and may not exceed the allowable days for which the hospital is paid or would be paid except for spend-down requirements.

—*Adult Care Home Visits*—Limited to psychological testing and evaluation and must be ordered by the recipient's physician as a part of the plan of care. Psychological testing and evaluation shall not exceed 6 hours per recipient in any 2 consecutive calendar years, and prior authorization is required, except for the first two hours for admission without prior authorization.

### **CLINIC SERVICES**

- Community mental health clinics must be approved by Medicaid program. Provide inpatient, outpatient, partial hospital, screening, and after  
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