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APA Practice Organization Action Alert

Date: August 20, 2010

To: SPTA and Division Federal Advocacy Coordinators
APAGS Coordinators

From: Marilyn Richmond, J.D., Assistant Executive Director for Government Relations
American Psychological Association Practice Organization

Cc: Katherine Nordal, Ph.D., Executive Director for Professional Practice
SPTA Executive Directors
SPTA Directors of Professional Affairs
CAPP

Re: **Congressional Dear Colleague Letter to Stop Mental Health (MEI) Cut**

On July 30th I sent you an information alert about the 2011 Medicare fee schedule proposed by the Centers for Medicare and Medicaid Services (CMS). The proposed fee schedule included some expected reimbursement cuts to all provider services related to the Sustainable Growth Rate (SGR) formula and changes to the Physician Quality Reporting Initiative (PQRI). However, an additional cut due to revisions to the medical economic index (MEI), while generally impacting all provider services across the board, will have a significant impact on psychological and other mental health services.

Three of our friends in the U.S. House of Representatives, Reps. Paul D. Tonko (D-NY), Tammy Baldwin (D-WI) and Lois Capps (D-CA) are writing a letter to Donald Berwick, M.D., the CMS Administrator, urging a careful consideration of the harm that the MEI revision in the proposed rule will have on Medicare mental health services. We are hopeful that the letter will persuade CMS to reconsider the revision before the rule is finalized.

Action:

Call your Representative and urge him or her to sign-on to the Tonko-Baldwin-Capps “Dear Colleague” letter that preserves seniors access to mental health care in Medicare.

Time is short; Representatives Tonko, Baldwin and Capps have set a sign-on deadline of 2 p.m., Tuesday, August 24th, so your calls are needed now. Call the U.S. House of Representatives

Switchboard at (202) 224-3121 to be transferred to your Representative's office. When making your call, ask to speak to the Representative's health legislative assistant.

Targets:

All U.S. Representatives, particularly those who are members of the House Ways & Means and Commerce Committees.

Message:

I am calling as a psychologist and constituent to urge you to sign on to a "Dear Colleague" letter from Representatives Tonko, Baldwin and Capps, urging CMS not to harm Medicare mental health services in the 2011 Medicare fee schedule. Please contact Amy Fisher in Congresswoman Capps' office to sign on.

Background:

As you know from my July 30th information alert, CMS recently published its proposed rule on the 2011 Medicare fee schedule. In addition to reflecting an expected cut to all services as a result of the Sustainable Growth Rate (SGR) formula and changes to the Physician Quality Reporting Initiative (PQRI) payments, the rule would significantly negatively impact psychological and other mental health services due to revisions to the medical economic index (MEI).

Specifically, CMS is proposing to "rebase" the MEI by linking it to data from the 2006 physician practice survey and "revise" it by making changes to nine expense categories such as medical equipment, chemicals, materials and supplies. The changes would result in an increase in practice expense values. However, because the agency is required to remain budget neutral in its rulemaking, CMS would impose a 4% across the board reduction to the work component for all services. CMS would not change the work values assigned to each code but instead lower the payment by reducing the conversion factor that the work value is multiplied by. The net result is that work-intensive specialties would see a decrease, while practice expense-intensive specialties would see an increase.

Psychologists and social workers would experience the deepest projected average cut of 5% because mental health services are most heavily weighted toward work values. Psychiatrists, emergency medicine doctors and anesthesiologists would each face a 3% cut. Radiation therapy centers (+8%), portable x-ray suppliers (+6%) and diagnostic testing facilities (+6%) would see the greatest increases because of their reliance on costly technology and overhead. In addition, psychology and social work are already scheduled to receive an additional 2% cut due to the second year implementation of 2009 practice expense adjustments, through which practice expense was also increased at the expense of mental health and other work-intensive specialties.

CMS has repeatedly made changes to Medicare formulas that have significantly devalued and reduced reimbursement for the time and expertise of health care professionals. It is simply wrong for CMS to continually cut reimbursement for cost-effective services to boost payment for

expensive equipment and overhead that are driving the inflation of health care costs. Patients and providers cannot afford for the federal government to fail to address this recurring problem. CMS must recognize the disproportionate impact of such changes in its rulemaking. If CMS refuses to do so, Congress must step in and require it.