



Helping people live healthy, safe and satisfying lives in their communities

Legislative Update April 13, 2016

Senate Health and Welfare Studies Prior Authorization for Psychotherapy

Representative Anne Donahue testified that DVHA told the House Health Care Committee that the new budget proposal for prior-authorization of psychotherapy after 24 visits was required to come into parity with commercial insurance. She disputed that, explaining that commercial insurance had discontinued that practice to come into compliance with federal parity legislation. As an alternative the Health Committee thought that a proactive approach might be helpful and changed the language to require DVHA to look at a person's care after 20 psychotherapy visits to determine if they have case management needs.

Rick Barnett representing the VT psychological Association, NASW and the Mental Health Counselors Association added that on March 30, 2016 the final rule for the federal Affordable Care Act strengthened parity rules which includes the banning of prior authorization for psychotherapy. Senator Ayer asked about whether people are generally fixed by 24 visits. He said that the median number of visits is 12 -14, just a few need ongoing services. Given that there are so few, why go through the onerous process on instituting prior authorization, he asked, especially given the fact that DVHA does ongoing reviews anyway. He questioned how the \$2.2 million would be saved when prior authorization would require more staffing. Rick said psychotherapy is a savings when compared to the potential for inpatient hospitalization.

Tom Simpatico, MD, the Chief Medical Officer for DVHA said the motivation for looking at the prior authorization is that DVHA has very limited clarity on what they are paying for under the rubric of psychotherapy. In consultation with the clinical review board, they looked at the standard distribution of the number of visits and then set a limit at one standard deviation above it. At that point, they want to know the type of psychotherapy and the reason for the psychotherapy. It seemed like prior authorization was the best process to access this information. In the process of doing that, they would reserve the right to discontinue services that are unnecessary. He said they do the same type of practices for physical health. He does not agree with the house language which presumes case management would be an appropriate service for individuals at 24 visits. He wonders to what degree psychotherapy is being applied to a wide array of circumstances. Senator Ayer asked how the savings were calculated. He said the process is about getting clarity on what they are paying for, not on creating savings.

Margaret Joyal Director of Outpatient Services for WCMHC and Chair of the VCP Outpatient Group has been involved in prior authorization for years and said it is not a clinically useful process. We are all credentialed and licensed, she noted. She believes it would be a violation of Rule 10 and federal parity. If someone is coming for 24 sessions their diagnosis was already submitted. Designated Agencies already send information on the clinical assessment and a 6-month treatment plan to the staff. Commercial insurers can do audits if they like. People come for therapy, not because it's fun; it's hard to get them to come. DMH does chart reviews and meets with staff to ensure quality. Margaret does not

understand how this would save the \$2.2 million. Commercial insurers stopped doing reviews because it doesn't save money.

Margaret and Rick spoke about how the DVHA rate reduction for group therapy has led to psychotherapists closing groups. Margaret said DAs waiting lists have exploded this Spring. Vermont Care Partners has submitted language for inclusion in the budget bill to have DVHA track utilization of both group therapy and ABA service utilization to analyze the impact of these rate reductions.

Senate Appropriations Committee

Julie Tessler testified at the Senate Appropriations Committee hearing and made our case for a 3% Medicaid rate increase for DA/SSAs. Ed Paquin spoke on behalf of the Vermont Coalition for Disability Rights. He highlighted the need for community mental health and developmental services to deal with inflation, especially with the reductions in group therapy and ABA rates. He said that community and home-based long term care can only be depended on, if they get the same inflationary increases that nursing homes and institutions receive.

Rick Barnett representing the Vermont Psychological Association, NASW and Vermont Mental Health Counselors Association spoke about the proposal by DVHA for prior authorization of psychotherapy after 24 sessions. He also raised the issue of cuts in group psychotherapy services.

Senate Health and Welfare Continues Work on H.74

Katie McLinn, of the Legislative Counsel made changes on H.74 based on the testimony and discussion from the week before. Based on our feedback they plan to have employers consult with OSHA guidelines rather than require consistency. The safety requirements will apply to staff delivering "direct social services". The bill should be voted out of the Committee this week.

Senate Appropriations Hears Department of Disabilities Aging and Independent Living Budget

DAIL Commissioner Monica Hutt presented the proposed budget for Fiscal year 2017. The total increase for caseload is \$7.9 million. Monica spoke about the challenges of recruiting work force.

Monica said they are trying to run estimates on the costs of the new paid sick leave requirements. Senator Kitchel and Monica agreed that reducing hours might be the result.

The Committee discussed the 2% Medicaid rate increase included in the House budget for designated and specialized service agencies. These questions came up - What about other high cost providers? Should we have rate setting?

Senator Sears said that for 20 years the State has not given the private nonprofit sector the ability to compete with the State for employees. We decided to deinstitutionalize, but we have not funded the community providers to take their place. It might be time to study how the nonprofits will survive. He added that "by in large they provide excellent services".

Jane Kitchel believes that the health care agenda has sucked the air out of the budget so that many other ancillary delivery pieces are going a long time with no increases.

To take action or for more information, including the weekly committee schedules:

- Legislative home page: <http://www.leg.state.vt.us>
- Sergeant-at-Arms Office: (802) 828-2228 or (800) 322-5616
- State House fax (to reach any member): (802) 828-2424

- State House mailing address (to reach any member):

Your Legislator

State House

115 State Street, Drawer 33

Montpelier, VT 05633-5501

- Email, home address and phone: Legislators' email addresses and home contacts may be found on the Legislature home page at <http://www.leg.state.vt.us>
- Governor Peter Shumlin (802) 828-3333 or <http://governor.vermont.gov/>

The purpose of the legislative update is to inform individuals who are interested in developmental, mental health and substance abuse services about legislative advocacy, policy development and activities that occur in the State Legislature. The Vermont Council is a nonprofit trade association whose membership consists of 16 designated developmental and mental health agencies.

Julie Tessler, Executive Director

Vermont Council of Developmental and Mental Health Services

137 Elm Street Montpelier, VT 05602

Office: 802 223-1773 Ext 401

Cell: 802 279-0464