

PSYCHOLOGISTS IN INDEPENDENT PRACTICE RATE REDUCTION

1. IS THIS A RATE CHANGE OR A METHOD CHANGE?

Rate Change

2. IS THIS CHANGE AN INCREASE, DECREASE, OR NO IMPACT?

This change represents a decrease in the reimbursement rates for services provided by Psychologists in Independent Practice.

3. PRESENTATION OF ISSUE – WHY IS THIS CHANGE BEING MADE?

The Oklahoma Department of Mental Health and Substance Abuse Services (ODMHSAS or Agency) proposes to revise the reimbursement rates for Psychologists in Independent Practice. Changes are necessary to reduce the Agency's spending to balance the state budget in accordance with Article 10, Section 23 of the Oklahoma Constitution, which prohibits a state agency from spending more money than is allocated.

4. CURRENT METHODOLOGY AND/OR RATE STRUCTURE.

Psychologists in Independent Practice are currently reimbursed at payment rates equal to **96.75** percent of the CY2013 Medicare Physician Fee Schedule.

5. NEW METHODOLOGY OR RATE STRUCTURE.

ODMHSAS proposes to reduce the reimbursement rates for services provided by Psychologists in Independent Practice by 10%. The new rate structure for this provider type will be **87.07** percent of the 2013 Medicare Physician Fee Schedule.

6. BUDGET ESTIMATE.

Estimated savings to ODMHSAS for SFY2016 is \$125,608 Total dollars; \$49,000 State share.
Estimated savings to ODMHSAS for SFY2017 is \$751,089; \$293,000 State share.

7. AGENCY ESTIMATED IMPACT ON ACCESS TO CARE.

The Agency does not anticipate diminished access. As a basis, we have reviewed the rates paid as a percentage of the Medicare physician fee schedule by Medicaid programs in the region (See Table 1 below). However, in addition, an access monitoring review plan will be developed for behavioral health services by July 2016, in accordance with 42 CFR 447.203(b).

STATE PLAN AMENDMENT RATE COMMITTEE

Table 1: Medicaid-to-Medicare Fee Index

Location	All Services	Other Services
Arkansas	0.80	1.22
Louisiana	0.71	0.78
New Mexico	0.91	1.04
Oklahoma	0.89	0.89
Texas	0.65	0.82

Source: Kaiser State Health Facts

Timeframe: 2014

8. RATE OR METHOD CHANGE IN THE FORM OF A MOTION.

The Agency requests the SPARC to approve the proposed reimbursement rates for Psychologists in Independent Practice as 87.07 percent of the CY2013 Medicare Physician Fee Schedule.

9. EFFECTIVE DATE OF CHANGE.

May 1, 2016