

# WISCONSIN HOSPITAL ASSOCIATION, INC.



November 17, 2017

**To: Dan Kiernan, Behavioral Health Section Chief, Division of Medicaid Services, Wisconsin  
Department of Health Services**

**From: Matthew Stanford, General Counsel**

**Re: Requested Comments on the Draft Wisconsin Forward Health Update on Increased  
Reimbursement and Changes to Claims Submission Requirements for Outpatient Behavioral  
Health**

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Thank you for reaching out to the Wisconsin Hospital Association to ask for comment on the draft Wisconsin Forward Health Update on Increased Reimbursement and Changes to Claims Submission Requirements for Outpatient Behavioral Health. As you know, WHA's members are not just hospitals but are also health systems that are a backbone of modern, integrated outpatient mental health and AODA services provided to Medicaid enrollees. We appreciate the partnership we have with the Department in addressing Wisconsin's behavioral health needs.

WHA thanks the Governor and the Department for their leadership in working to improve access to outpatient behavioral health services through investment in outpatient behavioral health care services for Medicaid enrollees. WHA, in its 2016 Medicaid Work Group recommendations, in testimony to the Assembly Mental Health Committee, and in recommendations made to the Governor's Opioid Task Force has advocated for an increase in Wisconsin's behavioral health Medicaid rates which are currently not competitive, not sustainable, and are a barrier to keeping and recruiting mental health professionals.

Because the draft does not specify what the specific rate amounts will be, it is difficult to fully comment on the draft Update. However, to realize the intent of the proposed reimbursement increase, we offer two specific comments: 1) We urge the Department to include E/M codes for psychiatrists, APNP-psych and psychiatric physician assistants in the codes that will receive a reimbursement increase, and 2) We received concerns about the draft Update moving away from the current differentiation in payment between physician psychiatrists, Ph.D. psychologists, licensed psychotherapists and AODA counselors, and instead creating a 2 tiered payment structure where more highly trained providers are paid the same rate as lesser trained providers.

**E/M codes for psychiatrists, APNP-psych, and psychiatric physician assistants need to be added to the Update in order to achieve the intended goals to improve outpatient behavioral health access.**

As WHA has shared with the Department orally following the Governor's announcement, WHA is concerned that E/M codes are not included in the proposed list of codes that would receive a reimbursement increase.

After additional consultation with WHA members and the Milwaukee Health Care Partnership Behavioral Health Steering Committee, WHA has clearly heard that the omission of Evaluation and Management (E/M) CPT code sets from the list of CPT codes that would receive a reimbursement increase is a significant omission if the goal is to provide a comprehensive outpatient behavioral health reimbursement increase to address access difficulties – particularly Wisconsin’s acute shortage of psychiatrists.

What WHA has learned is that psychiatrists, APNP-psych, and psychiatric physician assistants practicing in an outpatient setting primarily bill for their services under the E/M codes and not under the “psychotherapy” codes. In addition to the general feedback received by WHA, we also received data from some members which indicated E/M codes made up at least 80% of their psychiatrists’ outpatient visits for Medicaid patients.

The American Psychiatric Association has published a CPT Primer for Psychiatrists that provides detailed information on CPT codes billed by psychiatrists which is attached via a footnote link.<sup>1</sup> Page 32 of that primer notes:

“With the elimination of code 90862 and the addition of the add-on codes for psychotherapy when done with evaluation and management (E/M), psychiatrists will be using far more E/M codes than they have in the past. Previously, many psychiatrists just used the E/M codes for their inpatient and nursing facility encounters, but now they will be used for outpatient care as well.”

Without the inclusion of E/M codes for outpatient behavioral health services provided psychiatrists, APNP-psych, and psychiatric physician assistants, these key outpatient behavioral health providers would see little real reimbursement increase under this version of the draft Update for the behavioral health services that they provide to Medicaid enrollees.

WHA also received feedback noting the well documented significant psychiatrist shortage in Wisconsin and that psychiatric shortages are far more critical than any other behavioral health professional shortages in Wisconsin. Wisconsin patients needing care from a physician specializing in psychiatry face a challenging set of data and facts:

- A November 2012 publication by the Department of Health Services showed that Wisconsin faces a shortage of 271.1 full time psychiatrists. As a comparison, the Wisconsin Department of Workforce Development estimated in 2014 that only 317 physicians work as psychiatrists in Wisconsin.<sup>2</sup>
- Wisconsin ranks 8<sup>th</sup> worst in the nation in meeting demand for psychiatrist care, according to a 2017 analysis of federal data by the Kaiser Family Foundation comparing psychiatrists and the overall population.<sup>3</sup>

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<sup>1</sup> <https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=1&cad=rja&uact=8&ved=0ahUKEwjWy-TkjsbXAhUH2IMKHTPDae4QFggwMAA&url=https%3A%2F%2Fwww.psychiatry.org%2Ffile%2520Library%2FPsychiatrists%2FPractice%2FPractice-Management%2FCoding-Reimbursement-Medicare-Medicaid%2FCoding-Reimbursement%2Fcpt-primer-for-psychiatrists.pdf&usg=AOvVaw33INu6gqlxM0Q30aXmd2tu>

<sup>2</sup> <https://www.dhs.wisconsin.gov/publications/p0/p00376.pdf>

<sup>3</sup> <http://kff.org/other/state-indicator/mental-health-care-health-professional-shortage-areas-hpsas/?currentTimeframe=0&selectedRows=%7B%22nested%22:%7B%22all%22:%7B%7D%7D,%22wrapups%22:%7B%22united-states%22:%7B%7D%7D%7D&sortModel=%7B%22colId%22:%22Percent%20of%20Need%20Met%22,%22sort%22:%22desc%22%7D>

- That same 2017 analysis found that Wisconsin’s psychiatrist supply can meet only 25% of the need for services, and that 215 psychiatrists would be needed to remove federal Health Professional Shortage Designations for mental health across Wisconsin. Only Texas (271), Florida (254), California (252), and Arizona (241) – all states with significantly larger populations – face greater raw numbers of psychiatrists needed to remove federal shortage designations.
- Nationwide shortages of psychiatrists to meet patient demand has now led psychiatry to become the second most recruited physician specialty nationwide in 2016, according to physician recruitment firm Merritt Hawkins.<sup>4</sup>

**As part of the intent to comprehensively address Wisconsin’s unsustainably low behavioral health outpatient Medicaid rates, WHA urges the department to include E/M code services provided by psychiatrists, APNP-psych, and psychiatric physician assistants in its comprehensive increase in outpatient behavioral health Medicaid rates.**

WHA does understand that E/M codes are also billed by other providers for non-behavioral health visits. **We suggest that the department could take an implementation approach similar to Forward Health Update 2013-54<sup>5</sup> which implemented an increase in Medicaid rates to 100% of Medicare rates for E/M codes but only if the service was provided by a primary care provider.**

**Concerns have been raised regarding the proposal to change from a four tiered payment system to a two tiered payment system that does not recognize differences in professional training levels and provider shortages.**

Under current policy, psychiatrists (MDs), Ph.D. psychologists, masters trained psychotherapists, qualified treatment trainees, and substance abuse counselors are all paid a different rate that recognizes the different training, expertise, practice permissions (prescriptive authority for example) and expenses of each professional. The proposed Update combines what had been 4 payment rates differentiated by training into 2 payment differentiated by training. Thus, for example, a psychiatrist is currently reimbursed at a higher rate than a Ph.D. psychologist. Under the proposal they would be paid the same rate.

Our members could not identify a policy rationale for removing these payment differentiations. In particular, our members and others that provided feedback to WHA did not understand why it made sense to have Ph.D. psychologists brought up to the same rate as a psychiatrist given that they are seeing a psychiatrist shortage but not an acute Ph.D. psychologist shortage. We also received feedback noting that the salary costs to employ a psychiatrist were significantly higher than Ph.D. psychologists.

Recruitment is also an issue to consider, particularly as the state works to address its psychiatrist shortage. Moving to a payment policy where Wisconsin does not differentiate between the training, expertise, and prescriptive authority of a physician psychiatrist versus a psychologist could signal to prospective psychiatrists that Wisconsin is not a psychiatrist friendly state. Similarly, combining master’s trained psychologists into the same pay rate as a “qualified treatment trainee” could create similar questions from master’s trained psychologists considering working in Wisconsin.

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<sup>4</sup>[https://www.merrithawkins.com/uploadedFiles/MerrittHawkins/Pdf/Merritt\\_Hawkins\\_2016\\_Physician\\_NP\\_PA\\_Recruiting\\_Incentives\\_Review.pdf](https://www.merrithawkins.com/uploadedFiles/MerrittHawkins/Pdf/Merritt_Hawkins_2016_Physician_NP_PA_Recruiting_Incentives_Review.pdf)

<sup>5</sup> <https://www.forwardhealth.wi.gov/kw/pdf/2013-54.pdf>

**Lacking identifiable benefits or policy rationale for moving from a four tiered payment system to a two tiered payment system that does not recognize differences in professional training levels, practice permissions such as prescriptive authority, salary expenses, and provider shortages, WHA does have concerns about adopting such a change. It is unclear how such a change will help improve access to care and such a change may have unintended negative consequences in Wisconsin's efforts to address its acute psychiatrist shortage.**

Thank you again for the invitation and opportunity to comment, and we look forward to continuing to work together to further advance behavioral health care access in Wisconsin.