

Testimony Before the Joint Committee on Agency Rule Review
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Thank you for the opportunity to testify today. I come to you as a psychologist who has been providing psychology services under Medicaid for almost twenty years. As things stand, I will no longer be able to provide services for adults in January.

Historically, there have been two funding streams for psychology services under Medicaid: Community Medicaid is often used to refer to the stream of Medicaid funds that are channeled through ODMH. State Plan Medicaid also disbursed funds directly to psychologists for medically necessary services. It is this second funding stream that has been eliminated. As we understand it, the intent of the Ohio Legislature was to eliminate all optional Medicaid services, in an attempt to reduce health care costs. I am here today to explain why the elimination of psychology services is not consistent with that intent. The elimination of psychology services will not save the 1.6 million dollars originally estimated by fiscal planners and will actually increase costs to local counties.

Let us begin with the understanding that the 11,216 consumers who received psychology services through State Plan Medicaid in 2002 were receiving medically necessary services. The criterion of medical necessity is required by Medicaid regulations, regardless of which agency or practice provides care. No one expects that these people will cease to use behavioral health services. It is anticipated that they will either use psychiatry services alone or will seek psychology services at an ADAM Board agency. The fiscal analysis of the impact of these changes failed to include the fact that the new service provider will cost more than the old service provider.

An example from my practice: Tammy is a 20-year-old unmarried pregnant female. She suffers from Bipolar Disorder, a serious mood disorder that is caused by a chemical imbalance in the brain. I first treated Tammy as an adolescent, when she developed an eating disorder in response to the trauma of being raped by her grandfather. She returned to me this fall, pregnant and off her psychotropic medicine due to concerns about the impact of the drugs on the fetus. Tammy and I have a formidable job. To bring this pregnancy to a healthy conclusion, Tammy must remain stable, off medicine and with

the challenge of adjusting to her changing body. Currently, Medicaid pays my practice approximately \$48.53 for each office visit. If Tammy uses 20 visits, the cost of treating her will be \$976.60 To paraphrase a well-known commercial, the cost of a healthy mother and infant: priceless.

Tammy has been evaluated by a psychiatrist. Thus she would have been tallied in the count of consumers who have seen both a psychiatrist and a psychologist this year. (ODJFS has produced a table that suggests that since 28% of recipients see both a psychiatrist and a psychologist that psychology services may be redundant.) But a psychiatrist rarely provides psychotherapy. While a few psychiatrists are trained to provide psychotherapy, psychiatry time is scarce and expensive. If Tammy did find a psychiatrist who could provide this care, the cost of those twenty visits would be \$1,274.40.

In January, I will have to transfer Tammy to an ADAMH Board agency. Unlike the State Plan provider, the ADAMH Board agency will receive \$54.00 from Medicaid, actually increasing payments at the State level. But the worst impact is at the county level. The ADAMH Board is required to “match” that \$54.00 with \$36.00 from local funds, bringing the total cost per office visit to \$90.00. Tammy’s total bill will now come to \$1,800. Not only is there an additional \$100.00 spent at the State level, Medina County is now responsible for an additional \$720.00 bill. Statewide, there were over 11,000 consumers who, like Tammy, received State Plan Psychology Services. Do the math.

Things are touch and go with Tammy. When consumers with Bipolar disorder are unable to take medication, there is an increased risk of using street drugs in a desperate attempt to self-medicate their mood. If Tammy decompensates during the transfer from her familiar psychologist to the ADAMH Board agency and requires a more intensive level of treatment, e.g. day treatment/partial hospitalization, the cost will be \$129.00 per diem.

The fiscal impact on Counties of the elimination of State Plan psychology services was not recognized prior to the vote on the Budget Bill. When my state professional organization objected to the lack of fiscal analysis on the county level, the response we received was that “the impact is unknown.” The size of the impact may be unknown, but the directionality of the impact IS known. The elimination of State Plan psychology services can only result in increased costs to counties. Don’t let anyone tell you otherwise. Ask

your county ADAMH Board executive. Read the brief filed by the State association representing ADAMH Boards.

The elimination of State Plan Medicaid psychology services is inconsistent with legislative intent to reduce health care costs. It is also inconsistent with legislative intent with regard to psychologists and psychiatrists. A State's Medicaid plan must allow recipients freedom of choice among health care providers participating in Medicaid. Discrimination between psychiatrists and psychologists amounts to restraint of trade. Unlike other behavioral health professionals (e.g. social workers, counselors, etc.), psychiatrists and psychologists are both doctorally prepared. The psychiatrist begins with a general medical education and then specializes in a three-year psychiatry residency. The psychologist completes an undergraduate degree, four additional years of training in psychology and a two-year internship. Both psychiatrists and psychologists sit for national exams. Both psychiatrists and psychologists are eligible to participate as active medical staff in hospitals. Both psychiatrists and psychologists are recognized as independent providers in Medicare and Medicaid. In Ohio, psychologists do not have prescriptive authority, however in New Mexico, psychologists who are appropriately trained in medicine can prescribe and there are currently seven other states considering this legislation. There are some procedures, such as neuropsychological testing that can only be performed by a psychologist. Some consumers prefer behavioral treatment to medicine, either due to the cost of prescription medication or due to a reluctance to use drugs. Consumers must be able to choose between these two types of providers, based on need and personal preference.

The problems that will result from the elimination of State Plan Medicaid were eclipsed by the rush to make the Budget Bill as tight as possible. Careful post-legislative analysis has revealed that the proposed elimination of psychological services does not save the anticipated funds, adds a fiscal burden to the counties and unfairly restricts trade. This committee has already asked ODJFS once to re-file with a fiscal analysis of the impact of this change on counties. "Unknown impact" was the response. Please express your concern about a negative fiscal impact of unknown magnitude by recommending invalidation of the rule.

Thank you for this opportunity to speak. I would be happy to answer any questions.

The Cost of Tammy's Care

State Plan Psychology Services currently in place
State Share 48.53 per office visit
County Share 0.00 per office visit
Total cost of 20 visits \$976.60

Cost of transfer to State Plan psychiatry for psychotherapy
State Share 63.72
County Share 0
Total cost of 20 visits \$1,274.40

Cost of transfer to Community Mental Health Agency
State Share 54.00 per office visit
County Share 36.00 per office visit
Total cost of 20 visits \$1,800.00