



### **Nevada Psychological Association Responds to Nevada Medicaid Prior Authorization Requirements for Psychotherapy Services**

LAS VEGAS, NV – Nevada Psychological Association (NPA) has issued a public statement regarding the decision of Nevada Department of Health and Human Services Division of Healthcare Financing and Policy (DHCFP) to require prior authorization for all psychotherapy services for NV Medicaid recipients.

On June 29, 2018, DHCFP held a Public Workshop to describe the additional requirements. DHCFP representatives stated that the intent of these requirements is to ensure that NV Medicaid recipients receive (only) medically necessary services. DHCFP representatives also stated that the requirements will ensure that NV Medicaid recipients receive the correct services at the correct time. It also appears that these requirements are part of an effort to reduce erroneous billing, reduce costs, and possibly to prevent fraud. DHCFP plans to implement these requirements in one month, on July 27, 2018.

The prior authorization process (PAR) requires licensed psychologists (or other licensed behavioral health providers) to complete a five-page form and submit this form to NV Medicaid for review and approval by a third-party vendor before psychotherapy can begin. Third party vendor reviewers are not required to have the same level of clinical training as the licensed providers. The PAR review process is to be completed within five business days, per Medicaid policy. However, Medicaid providers at the public workshop reported that the process currently takes longer than five days for services that currently require PAR, and these policy requirements would heavily increase the volume of PARs to process. Other insurance companies do not require PARs for all psychotherapy, which is not consistent with DHCFP proposed requirements.

During the public workshop, providers, patients, and other stakeholders voiced concern that these additional requirements pose a significant barrier to care. This policy change guarantees that Medicaid recipients will have fewer therapists available to them. This policy change significantly increases the administrative burden and cost of providing psychotherapy services to Medicaid recipients. Workshop attendees voiced concerns that, as a result of the additional burden of requesting PARs for patients, current providers will withdraw from the already small pool of providers who accept Medicaid, thus further reducing Medicaid recipients' access to care. These additional policy requirements also guarantee that recipients who are approved for behavioral healthcare will have to wait longer to access these services. Providers, patients, and other stakeholders spoke passionately and at length about the dire consequences of increasing barriers to mental health care in our community. Speakers anticipated that these changes are dangerous during our current opioid epidemic and will result in increased calls to emergency response services, increased psychiatric hospitalizations, increased incarcerations, increased rates of domestic violence, increased rates of child maltreatment, and increased deaths by suicide. This is particularly alarming given that the State has decreased its service provision due to Medicaid expansion; there is not a safety net for these patients. Overall, these additional requirements restrict access to care and put a disproportional barrier to service on the most invisible and vulnerable members of our community.

NPA shares the concerns raised at the public workshop and is extremely concerned about how these additional requirements will impact our community. According to Mental Health America, Nevada ranks 51<sup>st</sup> in the nation in mental health. Nevada has a high prevalence of mental illness with low rates of access to care, particularly because 10% of the population lives in rural or frontier areas, which house minimal, if any, behavioral



healthcare provide, in addition to the fact that most licensed behavioral healthcare providers in Nevada are not contracted with Medicaid due to low reimbursement rates and/or administrative burden. Nevada's leaders, including the Governor and state legislature, have been working diligently with the behavioral health care workforce and community stakeholders to address the mental health crisis in Nevada. The changes planned by DHCFP are not in line with these efforts and will undermine recent progress. Furthermore, the hypothesis that increasing prior authorization requirements will save money is erroneous. The prior authorization process is costly to both the providers and to the state. Available data indicate that the prior authorization process costs are equivalent to multiple psychotherapy sessions. For-profit insurance companies do not require prior authorization for exactly this reason. Additionally, the American Psychiatric Association has found that health care costs double when mental health concerns are untreated.

NPA is also concerned that these changes are part of a larger pattern of DHCFP efforts to save money by reducing provider reimbursement (and thus limiting access to care), rather than focusing on non-clinical spending. For example, in December 2017 DHCFP implemented reimbursement rate realignments for psychologists, and made these rate changes (including significant reductions for psychological and neuropsychological evaluations) retroactive to January 1, 2017. DHCFP will begin recoupment of 2017 "overpayments" on July 9, 2018. Psychologists specializing in assessment are reporting major financial impact from these changes and several have ended their contracts with Medicaid. Our community is beginning to experience the negative impact of DHCFP's efforts to reduce behavioral healthcare spending by targeting provider reimbursement. The behavioral health community understands the need to prevent Medicaid fraud and provide cost-effective treatment. We also understand that collaborative solutions, such as utilization review, improved credentialing processes, and increased penalties for violations have yet to be explored.

About Nevada Psychological Association - *The mission of the Nevada Psychological Association is to advance and represent psychology as a science and a profession, as well as to serve the professional needs of its membership and the community.*

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