

The new Medicare law (Public Law 110-275), the Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), was enacted on July 15, 2008. Although the path to passage was far from smooth (requiring an override of a Presidential veto), the result of this legislation is of significant benefit to both psychologists and our patients. Important provisions of the bill include substantial restoration of the 2007 Centers for Medicare and Medicaid Services (CMS) Five-Year Review cuts in reimbursement of psychotherapy codes, a phase-in of coinsurance parity for outpatient mental health services and an 18-month postponement of the 10.6 percent Sustainable Growth Rate (SGR) reimbursement cut.

The restoration provision is a significant and unprecedented victory for psychology. Psychotherapy codes were the only codes that received specific reimbursement increases in MIPPA. The new Medicare law increases payments for psychotherapy by five percent for an 18-month period, from July 1, 2008 through December 31, 2009, to partially offset deep cuts imposed in 2007. Every five years CMS recalibrates reimbursement rates when it reviews certain service codes to determine whether they are overvalued or undervalued. Recalibration is "budget neutral," requiring a decrease in reimbursement rates for all other codes in order to increase payments for undervalued codes. The CMS determination that reimbursement for evaluation and management (E&M) codes needed to be increased starting January 1, 2007 resulted in steep and unfair cuts in payments for psychotherapy services. Due to the way psychologists' services are valued, psychologists were among the hardest hit by the reimbursement reductions.

At the same time, psychologists were prevented from experiencing any of the increases resulting from the five year review because CMS continues to consider psychologists ineligible for payment for the E&M services they provide within their licensure.

APAPO has argued at both the regulatory and legislative levels that CMS's prohibition is outdated, since psychologists can and do provide these services now, and antithetical to quality patient care within the Medicare program. Unfortunately, we faced strong pressures in the House and Senate to avoid language that could raise opposition from other provider groups. As a result, we had to compromise this year and drop our request for psychologist eligibility for reimbursement for E&M services. With your help, APAPO will keep up the pressure for Congress to make psychologists eligible for E&M payments in 2009.

The APA Practice Organization (APAPO) began asking Congress in 2006 to address the CMS 5-year Review cuts in payments to psychologists, and then continued to push for reversing the cuts after they took effect in 2007. APAPO first secured restoration language in the Children's Health and Medicare Protection Act (CHAMP), which was passed by the House in 2007. All along the way, tireless and persistent grassroots advocacy, led by SPTA and Division Federal Advocacy Coordinators, kept the need to address the five-year review a priority with key members of Congress. Psychologists across America mobilized, sending more than 15,000 messages to Capitol Hill. In both 2007 and 2008, psychology leaders attending State Leadership Conferences delivered the restoration message directly to Congressional offices during their Hill visits. The cumulative impact of psychology's efforts ensured that restoration language was included every time the House and Senate voted on Medicare legislation in 2008—throughout all five votes. In a dramatic culmination of this tireless advocacy, the House and Senate voted to override a Presidential veto to enact MIPPA with the restoration provision intact.

An important provision in MIPPA directly affecting psychologists is the postponement of the 10.6 percent SGR reimbursement cut scheduled to take effect July 1, 2008. The new Medicare law postpones this cut for an additional 18 months and provides a 1.1 percent payment update for 2009. This key provision resulted from an intense lobbying effort by a large coalition of provider associations, including APAPO, the AMA and many others.

MIPPA contains yet another provision of major significance for psychologists and patients: "Elimination of discriminatory copayment rates for Medicare outpatient mental health services." This parity provision articulates the phase-out of Medicare's higher copays for outpatient mental health services, bringing them in line with copays for outpatient physical health care services. Since its inception in 1965, Medicare has required a 50 percent copay for outpatient mental health services, compared to 20 percent for other health care services. A phase-in to coinsurance parity for outpatient mental health services begins with 45 percent coinsurance in January 2010, dropping annually to 20 percent coinsurance in January 2014. According to an Administration on Aging 2001 report, it is estimated that only half of older adults with mental health problems receive treatment. MIPPA represents a major step toward full mental health parity and will go far in addressing current Medicare cost barriers for seniors needing mental health treatment. The APAPO, a founding member of the Medicare Mental Health Equity Coalition, coordinated an on-line advocacy campaign and

worked with Senators Olympia Snowe (R-ME) and John Kerry (D-MA) to achieve the inclusion of this provision in MIPPA.

Passage of MIPPA is an extraordinary victory for practicing psychologists and will make a significant difference in both practice reimbursements and seniors' access to psychological services. AAP's role in this outcome was invaluable in providing quality access for the APAPO government relations team to lawmakers involved in the decision making process for Medicare. It is only through the close collaboration among the Washington-based APAPO Government Relations lobbying team, SPTA and Division Federal Advocacy Coordinators, and grassroots psychologists across America that the exceptional successes for psychology were achieved in the new Medicare law. This collaboration will be critical to our success again when Congress returns to Medicare issues in 2009. Working together, we will keep up the fight to halt the next scheduled SGR cuts, extend the psychology restoration and finally provide psychologists with E&M eligibility.