

Medicare Should Reimburse Hospitals for Psychology Training

The Problem for Patients: Psychologists are currently ineligible for Medicare training reimbursement. While physicians and at least 19 allied health care professionals, including nurses, dietetic interns, physical therapists, radiographers and clinical pastoral counselors, are eligible for Medicare training dollars, psychologists are not but should receive funding. In fact, psychologists are the only doctoral-level providers excluded from training reimbursement.

Hospitals are reducing psychology training due to costs. Hospitals pay for and run psychology internship training programs with no Medicare reimbursement. This lack of reimbursement in a difficult fiscal climate has forced many hospitals to reduce financial support to train psychologists.

Cutbacks in psychology training programs mean fewer services for patients. Psychology interns provide a range of key, often unique, therapeutic, primary care, and diagnostic services to Medicare beneficiaries. These services are particularly important for hospitals in rural and underserved areas, where physicians are not as available to provide similar services.

Patient testing services are in jeopardy. Psychologists provide unique testing services that assess a patient's mental and physical functioning. Interns provide these services to patients as part of their clinical training. There is no Medicare reimbursement for these intern services, so training funding is the only way that Medicare can recognize these services. Psychologists receive no training funding, so patient access to this vitally critical testing is in jeopardy.

Patients need psychology intern services. Hospitals place psychology interns in many settings, including psychology and psychiatry departments, pain management units, physical and mental rehab units, community and preventive health departments, and cardiology, surgery, anesthesiology and other medical specialty areas. Interns provide patients with a broad array of services and collaborate with other health care professionals in multidisciplinary teams.

The Solution for Patients: Congress should provide Medicare reimbursement to hospitals for psychology internship training programs to preserve high quality patient care. Reimbursing the training of psychologists, as with other health professionals, encourages their participation in the Medicare program first as interns and, upon graduation and licensure, as health professionals delivering important treatment services to Medicare beneficiaries.

Congress strongly supports Medicare reimbursement for psychology internship training. Beginning with the 1997 Balanced Budget Act and on several occasions since, Congress has urged the Centers for Medicare and Medicaid Services (CMS) in report

language to provide hospital reimbursement for psychology internship training under the allied health provision. CMS proposed a rule for this training in January 2001 (66 Fed. Reg. 3,377), but CMS is looking for further Congressional guidance to finalize it. Conferees to the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 directed CMS to implement the rule but the agency has not done so. Report language is helpful, but Congress should pass legislation to make reimbursement a reality.

CBO estimates that the cost of providing Medicare reimbursement for psychology internship training will be \$400 million over 10 years, or about \$40 million a year.

CBO, Cost Estimate: H.R. 1 and S. 1, at p. 65 (July 22, 2003). The loss of health care services that Medicare beneficiaries will experience without funding, as hospitals reduce or close psychology internship programs, far outweighs this modest cost.

Government Relations, March 2008