

**REGENCE SLASHES MENTAL HEALTH REIMBURSEMENT RATES;
75% OF SURVEYED PROFESSIONALS INDICATE THEY MAY OR
WILL LEAVE THE REGENCE NETWORK;
PRACTITIONERS AND CONSUMERS ADVERSELY AFFECTED.**

Seattle, WA (August 26, 2015) – On July 1, [Regence Blue Shield](#) sent notice to its network of mental health providers that they would be combining payment for the two most-used mental health procedure codes, effectively cutting the reimbursement rate for their most commonly used mental health code by almost 30%. This decision has practitioners indicating a willingness to drop off of insurance panels, with consumers paying the price.

The [Washington State Coalition of Mental Health Professionals and Consumers](#), a consumer advocate group, recently conducted a survey of mental health practitioners in Washington State that asked, “If the proposed policy of equalizing the reimbursement for [the procedure codes] was put in place, would you leave the Regence panel?”

Three-quarters of the 300 respondents paneled by Regence answered “Yes” or “Maybe.”

[Sue Wiedenfeld, Ph.D.](#), a licensed psychologist and President of the Coalition, states that, “Seventy-five percent is a very high percentage of practitioners who are considering leaving the panel, and those most likely to leave are our more experienced practitioners. This will lead to Regence having a preponderance of inexperienced practitioners, severely limiting the types of mental health problems that can be addressed.”

“In psychotherapy procedure, codes are time-based codes,” notes Wiedenfeld, “The average length of the shorter code is 45 minutes, and the average length of the longer code is 55 minutes. What Regence did was to say it doesn’t matter whether you see someone for 45 or 55 minutes, we’re going to pay the same for both codes.”

Wiedenfeld concludes that this decision was an excuse by Regence to cut reimbursement rates and increase their profits. “They raised the rate for the shorter code by 4% and cut the rate for the longer code by 30%. This is a direct hit on the income of practitioners.”

Kevin Host, Director of [Wellspring Employee EAP](#) (Employee Assistance Program), which provides service to nearly 200 companies and covers over 180,000 people, is also worried.

“People use their EAP benefit when issues in their personal lives start affecting their work life. To best serve our corporate clients, we refer their covered employees to highly capable professionals. If the most experienced practitioners leave the Regence panel, we will have real problems finding qualified practitioners to take cases. This is a big deal since some of our largest client companies use Regence for their major medical benefit.”

[Sean Corry](#), a veteran of the mental health parity wars and President of [Sprague Israel Giles](#), an insurance brokerage firm, expresses different concerns.

“As an insurance broker, my job is to make sure the health plans that clients offer to their employees actually deliver the care that is promised. When a health plan restricts access by severely limiting the number of available mental health providers, that health plan does not get recommended by our firm.”

Each medical procedure code carries what is known as a “[relative value unit](#)” or RVU. The RVUs indicate the degree of difficulty that a given procedure has. A higher RVU indicates a more complex procedure requiring more effort and training. The higher the RVU, the higher the reimbursement for the procedure.

According to [Laura Groshong, LICSW](#), a licensed independent clinical social worker and mental health advocate, “The 55-minute procedure code carries with it about a 50% higher RVU than the 45-minute code. It goes against standard practice in medicine to pay the same amount for two different codes.” She adds, “Mental health clinicians have had positive interactions with Regence over the years when we have disagreement. This ultimatum from Regence is a disappointment after all the time we have worked together collaboratively. This is the first time that Regence has refused to respond to mental health groups at all, and it’s been going on since July 1.”

Psychologists are also concerned. The [Washington State Psychological Association](#) sent a letter to Regence asking them to identify what *medical* procedure codes with different RVUs Regence has collapsed into one reimbursement rate.

This issue points to state and national [mental health parity laws](#) that require mental health and physical health be treated the same by insurance companies. Collapsing codes for mental health without doing the same for medical codes would be in direct violation of parity laws.

The [Office of Insurance Commissioner](#) (OIC) is also curious to learn the answer to this question. They, too, sent a letter to Regence asking them to identify which medical procedure codes they've done this with.

Regence is required to respond by August 25.

Corry, who understands insurance from the insurer's point of view, says, "This is yet another example of some insurance companies taking the decisions about mental health treatment out of the hands of the practitioners and patients, an ongoing issue for years. Some insurers look for hidden treatment limitations. Many insurance companies interfere with the doctor-patient relationship, through the use of proprietary review criteria, to determine what mental health treatments will be approved or denied. Patients are routinely forced through bureaucratic review procedures to get authorization for treatment, and are often subject to arbitrary limits on diagnostic work and therapeutic care."

In the meantime, mental health groups and practitioners are busy marshalling their members and resources. Practitioners have sent letters to the Insurance Commissioner's office complaining about this change. The [OIC](#) wants to hear directly from clients that might be affected by this decision.

"Practitioners are often hesitant to ask their clients to advocate on their behalf," says Wiedenfeld. "But Regence's decision may lead to our doing just that to avoid having to leave the Regence panel to make a living."

The people who will bear the brunt of Regence's decision are mental health practitioners, who will take a 26% cut in income and clients who will have less access to qualified clinicians. Both parties can let their voice be heard:

[Contact the Office of Insurance Commissioner](#)

Write a letter to the Insurance Commissioner (a [template](#) that enrollees can use may be found at the [Coalition website](#)).

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