

Medicaid Reimbursement Rates

The Citizens of Northwest Wisconsin Request

An increase in Medicaid reimbursement rates for behavioral health services to ensure providers are able to continue to provide services. This will ensure continued accessibility of services to our residents.

Background

The rates of diagnosable mental illness are up overall both nationally and locally. One in four adults in the U.S. suffers from a diagnosable mental disorder in a given year. People who experience mental health distress often miss work, perform poorly while at work, are at risk for unemployment, becoming disabled, experiencing homelessness, substance use, and suicide. Unfortunately, no one is immune to the possible tragic effects of mental illness.

According to a brief published by the University of Wisconsin Population Health Institute Wisconsin, adults with severe psychological distress are approximately five times as likely to be disabled and six times as likely to be unable to work as those without significant psychological distress. In a study from 2001, Wisconsin United for Mental Health noted that mental health and substance abuse treatment costs totaled \$104 billion and represented 7.6% of total healthcare spending in the United States. The Centers for Disease Control and Prevention (CDC) reports that in a given year, 18.8 million American adults (9.5% of the adult population) will suffer from a depressive illness. Approximately 80% of persons with depression reported some level of functional impairment because of their depression, and 27% reported serious difficulties in work and home life. In a 3-month period, those with depression miss an average of 4.8 workdays and suffer 11.5 days of reduced productivity. Depression is estimated to cause 200 million lost workdays each year at a cost to employers of approximately \$44 billion.

Behavioral healthcare services improve quality of life for individuals and families. Access to behavioral health services is critical to the health and wellbeing of our Wisconsin residents. Rural areas often have a harder time accessing services while the behavioral health prevalence rates remain relatively the same as urban counterparts. Rural behavioral health centers are few and far between with many residents in

northern counties being more than an hour away from a behavioral health professional. For behavioral health providers in our region, it can be difficult to hire qualified professionals due to the inability to offer competitive salaries. It recently took a local agency more than one year to hire a child therapist and over six months to hire an adult therapist. This meant that residents did not have access to therapy services during the search process. The agency referred to above had a waiting list of over 40 adults and children at one time. This is not unusual.

Individuals who are least likely to be able to access available services are those with financial and transportation challenges. Many of these families are enrolled in Medicaid. The Wisconsin Medicaid reimbursement rates have not been raised in over 20 years while the cost of doing business has increased substantially over the same timeframe. Northern counties have lost access to behavioral health services (services have closed or been forced to reduce access) because of the inability to withstand the rising cost of business with flat reimbursement rates.

With the current reimbursement rate, employing a clinician at a median rate of pay, a clinic will lose approximately \$12,000 per year, per clinician. Many agencies pay less than the median in order to make ends meet, resulting in longstanding open positions and hiring untrained clinicians who leave for a higher paying position when they reach full licensure. The cost involved in training a new clinician is significant.

In the past, the argument regarding the importance of payer mix has been made. While commercial insurances do typically reimburse at a higher rate, the access to commercial insurance requires steady employment that offers benefits. As referenced earlier, an active and untreated mental health issue can lead to unemployment and at times underemployment. Many adults are not able to become gainfully employed without mental health issues being addressed.

Douglas County borders Duluth, MN which has a number of resources. Many Duluth agencies are hesitant to provide services in Wisconsin as a result of the decreased reimbursement that would be received from Wisconsin Medicaid. The current reimbursement for an individual therapy session in WI is 56% lower than the MN rate (*see rate chart on the next page*).

It is critical that all Wisconsin individuals & families be able to access resources in their own community to address behavioral health concerns. In order to have healthy, employable, safe and stable families all Wisconsin residents need access to quality behavioral health care.

Again, this is not just a quality of life issue; this is also a quality of workforce issue. As Northwest Wisconsin looks to attract new businesses, those said businesses want to ensure there are adequate social services in the area to address workforce needs. Having behavioral health reimbursement rates at a level that keeps Behavioral Healthcare organizations sustainable is a benefit to all.

Medicaid Reimbursement Rates – Wisconsin vs. Minnesota

	Wisconsin Medicaid rate	Minnesota Medicaid rate
90791: Diagnostic Assessment	\$55.55	\$152.75
(masters level therapist) WI % of MN rate	36%	
90834: Individual Therapy (one hour)	\$55.55	\$98.32
(masters level therapist) WI % of MN rate	56%	
90805: Evaluation and Medication Management (20-30 minutes)	\$48.07	\$91.46
(Psychiatrist) WI % of MN rate	53%	