California Victim Compensation and Government Claims Program
Victim Compensation Program

Proposal to Consider Modifications to Reimbursement Rates for Medical and Mental Health Services, and to Mental Health Session Limits

December 16, 2010

Action Requested

The Victim Compensation and Government Claims Board (VCGCB) will consider and determine whether to modify the rates paid by the California Victim Compensation Program (CalVCP) for medical and mental health treatment, effective for dates of service and applications received on or after January 1, 2011, pursuant to California Government Code section 13957.2 (a). Government Code section 13957.2 provides that the VCGCB may establish maximum rates and service limitations for reimbursement of medical and medical-related services and for mental health and counseling services. In order to ensure that the CalVCP can continue to provide assistance to the victims of violent crime, the Board must consider all options to align Program expenditures with Restitution Fund (Fund) revenues.

Recommendations

Staff recommends the Board take action as follows:

1. Reduce the CalVCP Medical Reimbursement Rate to the Medicare rate; and adopt a reimbursement rate reduction of 20 percent for Restorative Cosmetic Surgery, Prosthetics, Hearing Aids and Eyeglasses, and Foreign Providers.

2. Reduce the CalVCP Mental Health Reimbursement Rate by 10 percent.

3. Reduce the reimbursement rate for mental health services provided by interns by 25 percent.

4. Make the approval of Additional Treatment Plans (ATPs) more restrictive.

Following is a history and analysis of rates, along with options for reductions in medical and mental health reimbursement rates.

Background

Restitution Fund and Medical Reimbursement Rates

The CalVCP is funded by the Restitution Fund which derives its revenue primarily from fines and penalties at the state level, and federal matching funds based on claims payment made in a prior year. Over the years, CalVCP has periodically faced funding problems because there is no direct association or control between the Restitution Fund revenue and program expenditures. This is the third time in recent years that the Restitution Fund has been severely impacted. In 1993, the Fund experienced a significant shortfall in revenue that resulted in payment delays to victims and providers. To deal with the problem, a $44 million augmentation to the Fund was made from the General Fund through urgency legislation. In addition, the Board’s percentage of funding received from penalty assessment revenue was increased for two years. This was done through the redirection of funds allocated to the State Driver Training Penalty Assessment Fund. Funding problems continued through 1996.
In 2001, a surge in claims created another funding shortfall. As a result, payments to medical and mental health providers were held for five months in 2003 and reimbursement rates were reduced. The Board lowered the rate of payment for medical expenses to the federal Medicare rate minus 20 percent, and lowered the rate of payment for dental expenses to the California Denti-Cal rate. For three years, the Board also imposed a $5,000 soft cap on funeral burial benefits and only paid the full statutory limit of $7,500 with executive approval. These delays and rate reductions caused some providers to refuse service to victims.

In 2004 the Fund balance had improved and the Board increased most medical reimbursement rates to the Medicare rate plus 20 percent and 75 percent of the reasonable and customary amount billed for dental. As a result, in FY 2006/07, the Board saw a four percent increase in applications and a 14 percent increase in total payments from the previous year; however, in the last two years, revenue has declined about four percent per year. Revenue growth is not keeping up with expenditures and the revenue figures for the FY 2009/10 have confirmed this downward trend is continuing.

As a result of the continuing decline in revenue and the FY 2008/09 transfer of the Fund’s Reserve to the General Fund, the balance of the Restitution Fund will be dangerously low in FY 2011/12, and there will be insufficient funds to support current levels of CalVCP payments and services to victims in 2012/13.

To address this anticipated shortfall, the Board has reduced its administrative costs over the last two years by managing its programs more effectively and efficiently through the use of technology and process improvements. The Board will continue these efforts; however, these ongoing reductions cannot be sustained in the long-term and will impact the Board’s ability to process claims timely and meet statutory mandates. Moreover, these savings are not enough to close the funding gap between revenue collections and program expenditures.

**Mental Health Rates and Session Limits**

**Mental Health Rates**

Mental health treatment rates have fluctuated since March 2001 based on the health of the Restitution Fund. Provider rates were decreased in 2002 for a number of license types, including licensed psychiatrists ($130/hour to $90/hour); PhD Psychologists ($110/hour to $90/hour); and Marriage and Family Therapists ($90/hour to $70/hour). Once the Restitution Fund achieved stability in 2006, rates were increased back to the 2002 levels.

The CalVCP policy is to reimburse interns at the supervisor’s rate. In order to obtain a permanent provider license, an intern must provide documentation demonstrating completion of 3000-3200 hours of supervised training within a specific time period to the governing licensure Board, i.e., Board of Psychology, Board of Behavioral Sciences; and then pass one or two written or oral exams. Most interns complete their training with non-profit agencies. The CalVCP, by statute, has Non-Profit Agreements (NPA) with 17 facilities that have a large proportion of interns providing treatment for CalVCP claimants.

**Mental Health Session Limits**

Prior to 2003, the Program allowed an initial 50 sessions and if a therapist submitted an extended treatment plan, an additional 50 sessions was virtually automatic. The higher limits resulted in a large number of applications that exhausted the statutory monetary limits for mental health benefits ($10,000 for direct victims and $3,000 for derivative victims). In response to the severe fiscal difficulties of the Restitution Fund in early 2003, the Board set session limits based on the expertise of CalVCP’s consulting psychologist, in conjunction with the results of a published peer-review study (Mental Health Service Utilization by Victims of Crime, Michelle New and Lucy Berliner, Journal of Traumatic Stress, Vol. 13, No. 4, 2000). The Board also established specific criteria for treatment beyond those limits, and required detailed documentation at various stages of treatment.
For victims who exhibit severe traumatic symptoms as a result of a qualifying crime, additional sessions may be available through the Additional Treatment Plan (ATP) process. Approximately 9 percent of the applications with mental health benefits requested were approved for additional sessions, which is a small percentage of the 7,001 applications received in FY 2009/10 that had a mental health expense. In addition, there are approximately 50 claimants per year who are approved for sessions beyond the statutory limit based on dire and exceptional circumstances because they require more extensive treatment due to the extraordinary circumstances of the crime.

Discussion of Issues

Medical

Medical expenses represent approximately 37 percent ($36 M) of the total expenditures made by the CalVCP for FY 2009/10. CalVCP benefits are based upon federal Medicare rates, which are the basis for fee schedules used by insurance carriers and in the medical and mental health community. Using Medicare rates brings uniformity and fairness to the CalVCP’s rate structure and aligns the program with industry standards. Expenses eligible for CalVCP benefits include hospital, physician, surgeon, anesthesiologist, ambulance, x-rays, laboratory, alternative treatment, chiropractic, physical therapy, professional in-home aid services, residential board and care, convalescent/nursing home care and psychiatric hospitalization.

Fee schedules used by insurance carriers, including Medi-Cal and Medicare, are not available to the public because they contain technical, diagnostic and performance specifications and formulas that have an economic value. The fee schedules represent what is considered the “usual, customary and reasonable” (UCR) rate for any given medical or mental health procedure/service based on the average fee for the service charged in a given geographic area, minus a percentage determined by the insurer. Insurers adopt their own methods of calculating the UCR. Some insurers purchase fee schedules from other companies; however, all insurers consider their fee schedules to be “proprietary” (confidential information belonging to the insurer, not shared with the public).

Treatment Not Subject to Medicare Rates

Dental expenses are currently paid at 75 percent of the amount billed, subject to utilization review, and miscellaneous medical, which includes restorative surgery, prosthetics, eyeglasses, hearing aids and foreign providers, are currently paid at 100 percent of the amount billed. The miscellaneous medical categories involve a very small number of claims (approximately 3 percent of the total expenditure, which equates to $3.2 M for FY 2009/10), and cover treatment and equipment that can seriously affect the ability of a crime victim to perform the normal activities of daily life. It should be noted that in the past, some victims have experienced problems finding physicians who will accept the CalVCP’s rate of payment for these categories; however staff recommends that CalVCP reimbursement rates for Restorative Cosmetic Surgery, Prosthetics, Hearing Aids and Eyeglasses

<table>
<thead>
<tr>
<th>Filing Status</th>
<th>Prior to 2003</th>
<th>2003</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult Victim</td>
<td>50</td>
<td>30</td>
<td>40</td>
</tr>
<tr>
<td>Minor Victim</td>
<td>50</td>
<td>40</td>
<td>40</td>
</tr>
<tr>
<td>Adult Derivative</td>
<td>50</td>
<td>15</td>
<td>15</td>
</tr>
<tr>
<td>Minor Derivative</td>
<td>50</td>
<td>15</td>
<td>30</td>
</tr>
<tr>
<td>Adult Survivor</td>
<td>50</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Minor Survivor</td>
<td>50</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Minor Witness</td>
<td>N/A</td>
<td>N/A</td>
<td>30 beginning 2008</td>
</tr>
</tbody>
</table>
and Foreign Providers be reduced by 20 percent as well. This reduction would provide a savings to the Restitution Fund of approximately $640,000 annually, based upon FY 2009/10 expenditures.

The following chart compares actual FY 2009/10 CalVCP medical payments based upon Medicare plus 20 percent to what those same payments would have been had the Board’s claims been paid at Medicare plus five percent (typical Health Maintenance Organizations (HMO) rate), Medicare minus five percent (typical Preferred Provider Organizations (PPO) rate) or the Medi-Cal rate, which is equal to Medicare minus 40 percent.

Staff recommends the Board reduce payment for medical expenses from the Medicare plus 20 percent rate to a straight Medicare rate for services covered by Medicare. This reduction in reimbursement is necessary to help achieve the long-term stability of the Restitution Fund and will result in a savings of approximately $4.9 million for FY 2011/12, the first full fiscal year of implementation. This reduction will bring CalVCP medical payments more in line with payments made by major insurance companies in the medical community.
Mental Health

Mental Health Rates

Mental health expenses represent approximately 28 percent of the total expenditures made by the Program ($27.5 M for FY 2009/10). Government Code section 13957 generally establishes maximum amounts for reimbursement of mental health expenses in the amount of $10,000 for direct victims and $5,000 for derivative victims.

Attempts to survey a number of different sources were made in order to obtain the average reimbursement rates for mental health providers providing psychotherapeutic treatment. Those sources included insurance companies, the State Employee Assistance Program, Medicare, and the Department of Mental Health (DMH). The surveys yielded mixed results. Most insurance companies did not respond or indicated that the information requested was proprietary and could not be released. The California Psychological Association indicated that they are unable to gather such information from their members, as it constitutes a violation of anti-trust laws.

A published member survey from the California Association of Marriage and Family Therapists’ (CAMFT) publication, “The California Therapist,” shows the average amount charged and the actual amount reimbursed from a variety of insurance carriers:

<table>
<thead>
<tr>
<th></th>
<th>MFT</th>
<th>2000</th>
<th>2002</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charge</td>
<td>78.16</td>
<td>86.79</td>
<td>93.95</td>
<td></td>
</tr>
<tr>
<td>Reimbursed</td>
<td>66.00</td>
<td>73.31</td>
<td>76.87</td>
<td></td>
</tr>
</tbody>
</table>

Data available for Medicare rates show the standard rate of payment is $79.06 for an individual mental health session. However, this generic rate does not take into consideration the licensure of the therapist or the geographic location where the service is provided. In addition, staff reviewed several explanations of benefits (EOBs) submitted with mental health bills from a variety of insurers, which showed that the average contracted rate allowed for the MFT/LCSW was $80 and the rate for Psychologists was $97.

A comparison of CalVCP’s benefits to other states’ victim compensation programs shows that the CalVCP’s statutory cap exceeds the other states’ programs; the other states’ program payment rates are similar or relatively lower; and the other states’ programs do not pay for treatment provided by interns. In addition, the other states’ programs require the victim to go to a therapist within their insurance network to receive treatment. The CalVCP allows the victim to select a therapist without regard to whether the provider is within the insurance network so the victim can receive the most appropriate treatment.
Staff recommends a reduction of 10 percent in reimbursements for mental health services for each license type, which would provide CalVCP with an estimated $2.9 million savings for the first full year of implementation. Adoption of this decrease would reduce payment rates to $81 per hour for a marriage family therapist (MFT) and licensed clinical social worker (LCSW), $99 per hour for a psychologist and $117 per hour for a psychiatrist, bringing payments for mental health services in line with the average payments made in the mental health community. See Attachment A for a listing of rates from 2006 and the proposed rates effective January 1, 2011.

Reimbursement of Interns

Although it is not common practice for other states’ victim compensation programs or health insurance carriers to reimburse interns, the CalVCP reimburses interns due to the large number of victims who receive treatment in non-profit facilities where interns are utilized extensively. Staff believes terminating payments for treatment provided by interns would be a disservice to both victims and providers by reducing the capacity of service providers to meet the demand for services.

A 25 percent rate reduction for mental health services provided by interns would provide a significant savings to the CalVCP. While the number of mental health sessions provided by interns versus licensed mental health professionals is not tracked, information from the CalVCP’s top two providers of mental health services can be used to estimate the savings that may be realized from reducing the intern rate of payment. By using a list of the licensed therapists and interns who provide treatment, it was determined that each of the individuals providing treatment works an average of 19 hours a week.

These two providers received a total of $4 million in reimbursements during FY 2009/10, which is 15 percent of the $27.5 paid out for mental health services that fiscal year. To estimate the savings from just these two providers, the total $4 million in reimbursements was divided by two, as it was determined from a review of billing that approximately half of the sessions are provided by interns. The $2 million that is assumed to be provided by interns was divided by the average reimbursement
rate of $107.00. This shows that approximately 18,690 hours are provided by interns. If the 18,690 hours are reimbursed at a rate of $75.00 per hour (which is the average rate for a 25% reduction) instead of at the average of $107 per hour, the cost to the CalVCP would be $1,401,750, which would be a savings of $598,250. This is a 14 percent reduction in the cost of mental health services for these two providers alone. Since the number of sessions provided by interns is not tracked, staff used a more conservative number (20 percent of sessions provided by interns) to demonstrate potential savings for all providers of mental health services, including the two largest mentioned above. Assuming that 20 percent of services reimbursed by the Program are provided by interns, the projected savings would be $1.3 million (15 percent) for the first full year of implementation from the total mental health expense as detailed in the chart below.

### Potential CalVCP Savings With A Reduced Intern Rate

<table>
<thead>
<tr>
<th>Fiscal Year 09/10 (in Millions)</th>
<th>Average Rate Paid For A Session</th>
<th>Estimated Amount Paid For Interns (in Millions)</th>
<th>Estimated Hours Of Service By Interns</th>
<th>Estimated Payment For Interns With $75/Hour Rate (in Millions)</th>
<th>Estimated Savings To CalVCP (in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Top two providers only</strong></td>
<td>$4</td>
<td>$107</td>
<td>$2</td>
<td>18,690</td>
<td>$1.4</td>
</tr>
<tr>
<td><strong>Total all providers</strong></td>
<td>$27.5</td>
<td>$100</td>
<td>$5.4</td>
<td>54,360</td>
<td>$4.1</td>
</tr>
</tbody>
</table>

**Additional Sessions Approved Through Additional Treatment Plans (ATP)**

The regulations that established initial session limits in 2003 contributed to a substantial decrease in mental health expenditures (see the CalVCP Historical Mental Health Reimbursements chart below). They also provided specific guidance for staff in determining whether continuing treatment was necessary as a result of the qualifying crime. While the implementation initially resulted in a drastic reduction in mental health expenditures, there is presently an upward trend in expenditures.

### CalVCP Historical Mental Health Reimbursements

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Mental Health Reimbursements (in Millions)</th>
<th>Percentage of Increase or Decrease from Previous Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>01/02</td>
<td>$47.7</td>
<td>37%</td>
</tr>
<tr>
<td>02/03*</td>
<td>$39.9</td>
<td>-16%</td>
</tr>
<tr>
<td>03/04</td>
<td>*$19.7</td>
<td>-51%</td>
</tr>
<tr>
<td>04/05</td>
<td>$14.4</td>
<td>-27%</td>
</tr>
<tr>
<td>05/06</td>
<td>$14.5</td>
<td>1%</td>
</tr>
<tr>
<td>06/07</td>
<td>$17.5</td>
<td>21%</td>
</tr>
<tr>
<td>07/08</td>
<td>$19.2</td>
<td>10%</td>
</tr>
<tr>
<td>08/09</td>
<td>$25.5</td>
<td>33%</td>
</tr>
<tr>
<td>09/10</td>
<td>$27.2</td>
<td>7%</td>
</tr>
</tbody>
</table>

*Implementation of Session Limits

Reducing the initial session limit will not result in significant savings to CalVCP. The data demonstrates that a very small percentage of the FY 2009/10 applicants exceeded the initial session limits. Only 9 percent of applications received during FY 2009/10 had additional sessions beyond the
initial session limit, and 95 percent of the applications did not exceed 30 mental health sessions from the initial session limits of 15, 30 and 40.

An alternative is to limit the number of additional sessions over the initial sessions by making the approval of additional sessions through the ATP process more stringent. While the percentage of additional sessions approved has decreased 15 percent over the last three years, the number of ATPs submitted has increased 59 percent which resulted in an increased cost for the additional sessions approved.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ATPs Submitted</th>
<th>ATPs Allowed</th>
<th>Number of Sessions Approved</th>
<th>Estimated Costs of Sessions Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/08</td>
<td>2,187</td>
<td>1,786 (82%)</td>
<td>28,767</td>
<td>$2,876,700</td>
</tr>
<tr>
<td>08/09</td>
<td>2,637</td>
<td>2,088 (79%)</td>
<td>38,325</td>
<td>$3,832,500</td>
</tr>
<tr>
<td>09/10</td>
<td>3,695</td>
<td>2,464 (67%)</td>
<td>43,050</td>
<td>$4,305,000</td>
</tr>
<tr>
<td>Total</td>
<td>8,519</td>
<td>6,338 (74%)</td>
<td>110,142</td>
<td>$11,014,200</td>
</tr>
</tbody>
</table>

Currently, for additional sessions to be approved, four criteria are evaluated:
1. Crime severity;
2. Level of impairment;
3. Treatment focus; and

In order to make ATP approval more stringent, staff would propose revisions to the Mental Health Guidelines which may include, but would not be limited to:
- Increasing the requirements used to determine the severity of the crime;
- Changing the manner through which progress of treatment is measured.

Staff believes that a 50% reduction in the number of ATPs and additional sessions approved can be achieved, based upon previous experience in FY 2003/04 when the session limit was implemented and the ATP process was more stringent. Staff projects a savings in the first full fiscal year of $1.3 million. Modifications to the Mental Health Guidelines to make the ATP approval process more restrictive require the Board's approval. Staff would adjust the ATP review process and file the revised Guidelines with the Secretary of State after Board approval. Projected completion date is the end March 2011.
## Potential Savings With Reduction In Additional Sessions

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>ATPs Submitted</th>
<th>ATPs Allowed</th>
<th>Number of Sessions Approved</th>
<th>Estimated Costs of Sessions Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/10</td>
<td>3,695</td>
<td>2,464 (67%)</td>
<td>43,050</td>
<td>$ 4,305,000</td>
</tr>
<tr>
<td>Projected</td>
<td>4,000</td>
<td>2,000 (50%)</td>
<td>30,000</td>
<td>$ 3,000,000</td>
</tr>
</tbody>
</table>

### Projected Savings for Medical and Mental Health Expenses

#### Medical Reimbursement Rates

Staff has prepared projected savings through FY 2011/12 for the following three options, which are shown in the chart below:
- Applying the Medicare rate
- Applying the Medicare plus 10 percent.
- Applying the Medicare rate plus 5 percent.

Staff has also prepared projected savings through FY 2011/12 reflecting a 20 percent decrease in reimbursement rates for Restorative Cosmetic Surgery, Prosthetics, Hearing Aids and Eyeglasses, and Foreign Providers.

Projected savings from the reduction in medical reimbursement rates will not be realized until FY 2011/12 because of normal medical community billing practices, which can result in delays of six to nine months in billing.

#### Mental Health Reimbursement Rates

Projected savings reflecting a proposed 10 percent mental health provider rate reduction are also shown in the chart below, along with the savings projected from reducing the intern reimbursement rate by 25%. In addition, staff has projected the potential savings from making the approval of ATPs more restrictive. Savings resulting from the 10 percent reduction in the mental health provider rate and the intern rate should be realized in the second half of FY 2010/11. Savings resulting from the reduction of the more restrictive ATPs will be realized beginning in FY 2011/12.
Projected Savings
FY 2010/11 (6 Months)
FY 2011/12 (12 Months)

<table>
<thead>
<tr>
<th></th>
<th>Medical</th>
<th>Mental Health</th>
<th>Intern Rates</th>
<th>ATP</th>
<th>Misc Medical</th>
<th>Total Projected Savings</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Option 1</strong></td>
<td>$2.5</td>
<td>$1.4</td>
<td>$0.6</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$8.6</td>
</tr>
<tr>
<td><strong>Option 2</strong></td>
<td>$4.3</td>
<td>$1.4</td>
<td>$0.6</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$9.8</td>
</tr>
<tr>
<td><strong>Option 3</strong></td>
<td>$3.7</td>
<td>$1.4</td>
<td>$0.6</td>
<td>$0.0</td>
<td>$0.0</td>
<td>$11.0</td>
</tr>
</tbody>
</table>

Note: Savings for medical expenses will not be realized until FY 2011/12.

**Options**

**Medical Reimbursement Rates**

The Board may adopt reimbursement rates of Medicare plus 10 percent for services covered by Medicare; Medicare rates plus 5 percent; or the Medicare rate; and adopt a reimbursement rate reduction of 20 percent for Restorative Cosmetic Surgery, Prosthetics, Hearing Aids and Eyeglasses, and Foreign Providers. (See Attachment B for a detailed listing of current and recommended rates.)
Pros
- Reductions in reimbursements rates are critical to stabilizing the Fund balance, which will allow the CalVCP to continue to support victims.
- Payments would continue to be within medical industry standards.

Cons
- Reductions in the Board’s medical reimbursement rate may be opposed providers.
- Based on the history of previous reductions, a lower rate of payment may result in a decrease in the number of physicians willing to provide follow-up care to victims.

Mental Health Reimbursement Rates

The Board may adopt a decrease in payment for mental health expenses by 10 percent for each license type. See Attachment A for a detailed listing of current and proposed rates.

Pros
- Reductions in reimbursements rates are critical to stabilizing the Fund balance, which will allow the CalVCP to continue to support victims.
- Would bring payments for mental health services in line with the average payments made in the mental health community.

Cons
- Some mental health providers may not continue to accept CalVCP claimants which may decrease access to services for victims of crime.

Reimbursement of Interns

The Board may adopt a 25 % reduction in the rate of payment of interns per session.

Pros
- Reductions in reimbursements rates are critical to stabilizing the Fund balance, which will allow the CalVCP to continue to support victims.
- A 25 % reduction in the reimbursement rate will have less impact to victims of crime in treatment as providers can maintain the option of using interns to meet the mental health need of victims.

Cons
- Agencies, specifically non-profit agencies, whose business models rely on reimbursement of interns at the same rate as the supervising therapist, will experience the greatest impact from this reduction.

Additional Sessions (ATP) Approval Process

The Board may make the approval of ATPs more restrictive by directing staff to modify how the approval criteria are applied in the Mental Health Guidelines.

Pros
- Reductions in reimbursements rates are critical to stabilizing the Fund balance, which will allow the CalVCP to continue to support victims.
- More restrictive criteria will ensure that these benefits are provided to claimants with the greatest need.
- Encourages providers to only submit an ATP for the most severely impaired clients.
- May reduce the administrative cost for the review of ATPs by CalVCP staff.
Cons

- The number of appeals may increase initially for mental health bills that are recommended for denial as a result of an increase in denied ATPs.

Recommendations

Staff recommends that the Board take action as follows:

1. Medical Reimbursement Rate

   - Reduce the CalVCP Medical Reimbursement Rate to the Medicare rate; and adopt a reimbursement rate reduction of 20 percent for Miscellaneous Medical which includes Restorative Cosmetic Surgery, Prosthetics, Hearing Aids and Eyeglasses, and Foreign Providers.

2. Mental Health Reimbursement Rate

   - Reduce the CalVCP Mental Health Reimbursement Rate by 10 percent.

3. Payment of Interns

   - Reduce the reimbursement rate for mental health services provided by interns by 25 percent per session.

4. Additional Sessions (ATP) Approval Process

   - Make the approval of ATPs more restrictive by directing staff to modify how the approval criteria are applied in the Mental Health Guidelines.
# Proposed Mental Health Service Rates (10 Percent Reduction)

<table>
<thead>
<tr>
<th>Provider Type</th>
<th>License or Certificate</th>
<th>Services</th>
<th>Current Rates Effective 3/1/06</th>
<th>Recommended Rate Option Effective 1/1/11</th>
</tr>
</thead>
</table>
| Licensed Psychiatrist (MD) | A, C, or G | Individual/family therapy  
Medication management  
Group therapy | $130/hour  
$130/hour  
$52/hour | $117/hour  
$117/hour  
$46.80/hour |
| PhD Psychologist or Registered Psychologist | PSY | Individual/family therapy  
Group therapy | $110/hour  
$44/hour | $99/hour  
$39.60/hour |
| Psychology Assistant (must be supervised by a psychiatrist or PhD) | PSB | Individual/family therapy  
Group therapy | Paid at rates allowed for supervising therapist | $75/hour |
| Licensed Psychiatrist (MD) | A, C, or G | Individual/family therapy  
Medication management  
Group therapy | $130/hour  
$130/hour  
$52/hour | $117/hour  
$117/hour  
$46.80/hour |
| PhD Psychologist or Registered Psychologist | PSY | Individual/family therapy  
Group therapy | $110/hour  
$44/hour | $99/hour  
$39.60/hour |
| Psychology Assistant (must be supervised by a psychiatrist or PhD) | PSB | Individual/family therapy  
Group therapy | Paid at rates allowed for supervising therapist | $75/hour |
| LCSW | LCS | Individual/family therapy  
Group therapy | $90/hour  
$36/hour | $81/hour  
$32.40/hour |
| MFT | MFT | Individual/family therapy  
Group therapy | $90/hour  
$36/hour | $81/hour  
$32.40/hour |
| ASW (must be supervised by a licensed therapist) | ASW | Individual/family therapy  
Group therapy | Paid at rates allowed for supervising therapist | $75/hour |
| MFT Intern (must be supervised by a licensed therapist) | IMF | Individual/family therapy  
Group therapy | Paid at rates allowed for supervising therapist | $75/hour |
| Clinical Nurse Specialist | CNS | Individual/family therapy  
Group therapy | $90/hour  
$36/hour | $81/hour  
$32.40/hour |
| Psychiatric Mental Health Nurse | PMH | Individual/family therapy  
Group therapy | $90/hour  
$36/hour | $81/hour  
$32.40/hour |
<p>| Nurse Practitioner/Physician Assistant | NP, PA | Medication management | BRS Rate | Medicare rate |
| Licensed Physician | A, C, or G | Medication management | BRS Rate | Medicare rate |
| Peer Counselor | Certified by Rape Crisis Center | Individual therapy, no more than 10 weeks, plus one series of group sessions. | $15/hour | $15/hour |
| Out-of-State Provider | Varies per state | May provide services appropriate to licensure. Subject to MHS review. | Paid at rate for comparable licensure in California |
| Out-of-Country Provider | Varies | Subject to MHS review. | Paid at rate for comparable licensure in California |</p>
<table>
<thead>
<tr>
<th>Services</th>
<th>Rates Effective 7-1-04</th>
<th>Recommended Rate Option Effective 01/01/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Medical Treatment covered by Medicare Rates (Except as noted below)</td>
<td>Medicare rate plus 20</td>
<td>Medicare rate</td>
</tr>
<tr>
<td>Medical Treatment Not Covered by Medicare Rates (Except as noted below) (Includes items such as electric wheelchairs and motorized FES ergometers)</td>
<td>75 percent of amount billed</td>
<td>75 percent of amount billed</td>
</tr>
<tr>
<td>Dental Treatment</td>
<td>75 percent of amount billed</td>
<td>75 percent of amount billed</td>
</tr>
<tr>
<td>Durable Medical Equipment (DME) Except for prosthetics, eyeglasses and foreign bills as noted below</td>
<td>Medicare rate for DME</td>
<td>Medicare rate for DME</td>
</tr>
<tr>
<td>Restorative Cosmetic Surgery</td>
<td>100 percent of amount billed</td>
<td>80 percent of amount billed</td>
</tr>
<tr>
<td>Prosthetics</td>
<td>100 percent of amount billed</td>
<td>80 percent of amount billed</td>
</tr>
<tr>
<td>Hearing aids and eyeglasses</td>
<td>100 percent of amount billed</td>
<td>80 percent of amount billed</td>
</tr>
<tr>
<td>Foreign providers without regard to the date of service, and accept bills in formats other than the standardized forms required of U.S. providers</td>
<td>100 percent of amount billed</td>
<td>80 percent of amount billed</td>
</tr>
<tr>
<td>Home/vehicle modification, vehicle purchase</td>
<td>100 percent of amount billed</td>
<td>100 percent of amount billed</td>
</tr>
<tr>
<td>In-Home Supportive Services – Attendant Care</td>
<td>Effective 11-17-08, $10.40 per hour</td>
<td>$10.40</td>
</tr>
<tr>
<td>Residential security and crime scene clean-up</td>
<td>Limited to $1000</td>
<td>Limited to $1,000</td>
</tr>
<tr>
<td>Mileage Rate</td>
<td>Effective 4-20-09, Department of Personnel Administration mileage reimbursement rate for non-represented employees - $.55 cents per mile</td>
<td>Adjustable DPA rate</td>
</tr>
</tbody>
</table>