

HB 2041

Testimony in support to Chair Nosse, Vice Chairs Javadi and Nelson, and the members of the House Committee on Behavioral Health and Health Care

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The Problem: Limited Mental/Behavioral Healthcare Access

Impacts extend across society and the economy:

- Higher physical healthcare costs
- Decreased presenteeism and workforce productivity
- Decreased student achievement and preparation for productive adulthood
- Increased pain and suffering

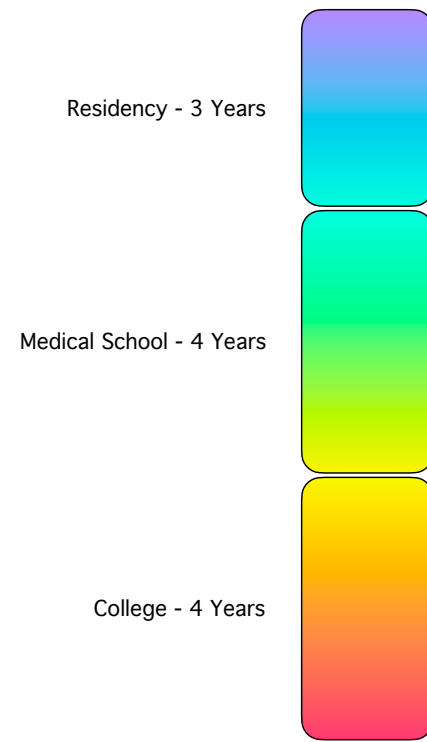
One Major Cause

- To become a psychologist requires many years of training for a career with high psychological stress and inadequate payment
- HB 2041 can help fix the payment problem

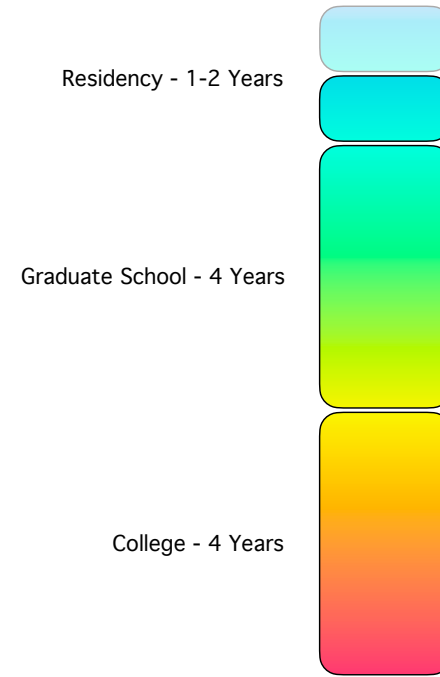
There are many factors contributing to the mental healthcare workforce shortage, but almost certainly the greatest is the low payment rates.

Professional Secondary and Post-Graduate Education

Cognitive Physicians (Pediatrics, Internal Medicine)



Psychologists



Terms

- RVU: Relative Value Unit
- RBRVS: Resource-Based Relative Value Scale
- CMS: Centers for Medicare and Medicaid Services
- CF: Conversion Factor

What Is an RVU?

Relative Value Unit

- The Centers for Medicare and Medicaid Services (CMS) publishes a list every year of healthcare services/procedures and their Relative Value Units (RVUs), called the **Resource-Based** Relative Value Scale (RBRVS)
- RVUs reflect the resources needed to produce the service:
 - Clinician time
 - Technical skill
 - Physical effort
 - Mental effort and judgement
 - Psychological stress
 - Staff time
 - Equipment (durable)
 - Medical supplies (single-use)
 - Overhead (e.g. rent, IT, telephones, printing)
 - Malpractice insurance

Cognitive Physician Average RVUs Per Hour

		2024 RVUs	Time	/Hour	RVU/Hour
99202	Office/outpatient visit, new, 15 min	2.17	15	4	8.68
99203	Office/outpatient visit, new, 30 min	3.35	30	2	6.70
99204	Office/outpatient visit, new, 45 min	5.02	45	1.33	6.69
99205	Office/outpatient visit, new, 60 min	6.62	60	1	6.62
99212	Office/outpatient visit, est, 10 min	1.70	10	6	10.20
99213	Office/outpatient visit, est, 20 min	2.73	20	3	8.19
99214	Office/outpatient visit, est, 30 min	3.85	30	2	7.70
99215	Office/outpatient visit, est, 40 min	5.42	40	1.5	8.13
			Average RVU/Hour		7.86

A physician working in a cognitive field, e.g. pediatrics or internal medicine, could produce, on average, 7.86 RVUs per hour if working very efficiently.

Psychologist Average RVUs Per Hour

		2024 RVUs	Time	/Hour	RVU/Hour
90791	Psychiatric diagnostic evaluation (60 min)	5.17	60	1	5.17
90832	Psychotherapy with patient and/or family ~30 min	2.35	30	2	4.70
90834	Psychotherapy with patient and/or family ~30 min	3.10	45	1.33	4.13
90837	Psychotherapy with patient and/or family ~30 min	4.57	60	1	4.57
90846	Family Therapy without patient present, 50 min	2.93	50	1.2	3.52
90847	Family Therapy with patient present, 50 min	3.07	50	1.2	3.684
					Average RVU/Hour 4.30

A psychologist could produce, on average, about 4.3 RVUs per hour, not including documentation time (i.e. this is an overestimate).

What Is a Conversion Factor (CF)?

- CMS sets a payment rate *per RVU* called the Conversion Factor (CF)
- The Medicare CF in 2025 is \$32.35

Provider-Payer Contracts

CFs and % of Medicare

- Providers and payers negotiate contracts based on the RBRVS for a given year
- Some contracts establish a CF per RVU, e.g. \$50.00 per RVU
- Some contracts establish a % of Medicare, e.g. 200% of Medicare ($\$32.35 * 200\% = \64.70 per RVU)
- All rely on the RBRVS for a given year
- With few exceptions for specific services, we are not negotiating prices for each individual service

Payment to Physicians and Psychologists

An Imagined Provider-Insurance Contract

- Insurance pays \$50.00 per RVU (negotiated rate)
- On average, cognitive physician's practice will be paid:
 - $7.86 \text{ RVU/hour} * \$50.00 \text{ per RVU} = \393.00 per hour
- On average, psychologist's practice will be paid:
 - $4.30 \text{ RVU/hour} * \$50.00 \text{ per RVU} = \215.00 per hour
- Is this fair? Probably. Remember, RVUs account for the *resources* needed to produce the service. Psychologists draw on years of training, cognitive skill, and judgement, and expend time and psychological stress to produce the service being billed. Psychologists use fewer supplies and have lower overhead than physicians.
- **The RBRVS already accounts for these differences!**

Payment to Physicians and Psychologists

A Closer-to-Reality Provider-Insurance Contract

- Insurance pays \$50.00 per RVU for physician's work
- Insurance pays \$35.00 per RVU for psychologist's work
- On average, cognitive physician's practice will be paid:
 - $7.86 \text{ RVU/hour} * \$50.00 \text{ per RVU} = \393.00 per hour
- On average, psychologist's practice will be paid:
 - $4.30 \text{ RVU/hour} * \$35.00 \text{ per RVU} = \150.50 per hour
- Is this fair? No! This disregards the RBRVS, which accounts for differences in the resources needed to produce the services already.
- More important than justice, **this low payment rate makes it difficult or impossible to employ psychologists and contributes to the mental healthcare shortage.**

Actual Mental Healthcare Payments/RVU Relative to MD Payments

	MD	Psychologist	Masters Therapist
Payer 1	100% (lowest)	69%	55%
Payer 2	100%	93%	70%
Payer 3	100%	74%	68%
Payer 4	100%	60%	51%
Payer 5	100%	46%	38%
Payer 6	100% (highest)	100%	60%

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Here are six de-identified payers' contracts with our clinic, listed from the lowest payer (for MD work) to the highest. This shows the relative amount paid per RVU for psychologist and masters-level therapist work, compared to the rate paid for MD work (shown as 100% for each contract).

Impact of HB2041 with amendment -1

- Require insurance to pay the same rate per RVU to physical and mental/behavioral healthcare clinicians
- End undervaluing mental/behavioral healthcare by insurance companies
- Bolster mental/behavioral healthcare workforce
- Improve access to mental/behavioral healthcare: real parity
- Bend the healthcare cost curve down - access to behavioral healthcare reduces total physical healthcare costs and more than pays for itself, including in the short-term*

*Hawrilenko M, Smolka C, Ward E, et al. Return on Investment of Enhanced Behavioral Health Services. JAMA Netw Open. 2025;8(2):e2457834. doi:10.1001/jamanetworkopen.2024.57834

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