

The background features a green gradient with a grid pattern. On the left, there are vertical columns of binary code (0s and 1s). In the center, a silver stethoscope is positioned diagonally. To the right, a white ECG (heart rate) line is visible. The overall theme is medical and technological.

Evaluation of Group Psychotherapy: Policies and Payments in Arkansas Medicaid

Office of the Medicaid Inspector General

- I. Issue – Group Psychotherapy billing**
- II. Comparative Analysis of Arkansas Policy**
- III. Analysis of Arkansas Expenditures**
- IV. Recommendations for Group Psychotherapy billing changes**
- V. Potential Cost Savings**

Issue – Group Psychotherapy Billing

Table 1 - Summary of Medicaid Group Psychotherapy Payments by State 2013 - 2015

State	Dual Eligible Recipients	% of Total Recipients	Dual Eligible Claims	% of Total Claims	Paid for Dual Eligible Recipients	Total Paid for Group Psychotherapy	% of Total Group Psychotherapy
AR	2,920	7.1%	365,349	17.7%	\$26,083,436	\$147,961,241	17.6%
AL	1,644	13.0%	29,537	21.0%	\$1,164,098	\$8,287,294	14.1%
GA	362	4.3%	2,455	3.1%	\$88,393	\$3,395,819	2.7%
MS	677	5.0%	5,858	2.6%	\$165,905	\$7,784,924	2.1%
LA	130	2.4%	596	1.9%	\$7,764	\$504,348	1.5%
TN	124	1.2%	923	1.2%	\$18,870	\$1,781,068	1.1%
WV	11	0.4%	42	0.1%	\$589	\$445,242	0.1%

Comparative Analysis of Arkansas Policy

Table 3 - Group Psychotherapy Allowed Amounts by State

State	Per Hour	Per Day	Per Year
AL	\$23.00	\$23.00	\$276.00
AR	\$55.20	\$82.80	\$30,022.00
GA (Age 21 or Under)	\$28.92	\$115.68	\$694.08
GA (Age 21 or Older)		\$28.92	\$347.04
LA	\$22.05	\$22.05	\$529.20
MS	\$22.44	\$44.88	\$897.60

Table 4 - Top 10 Recipients by Payment Total - 2013 - 2015

Recipient	Claim Count	Count of Dates of Service	Total Paid
Recipient 1	1,016	1,005	\$92,239
Recipient 2	1,020	978	\$89,879
Recipient 3	922	907	\$81,158
Recipient 4	876	865	\$71,622
Recipient 5	820	815	\$71,608
Recipient 6	814	774	\$71,525
Recipient 7	816	805	\$70,297
Recipient 8	819	810	\$70,201
Recipient 9	774	752	\$70,118
Recipient 10	816	811	\$69,731

Comparative Analysis of Arkansas Policy

II. Comparison of Group Psychotherapy Policy Across Zone 5 Medicaid Programs

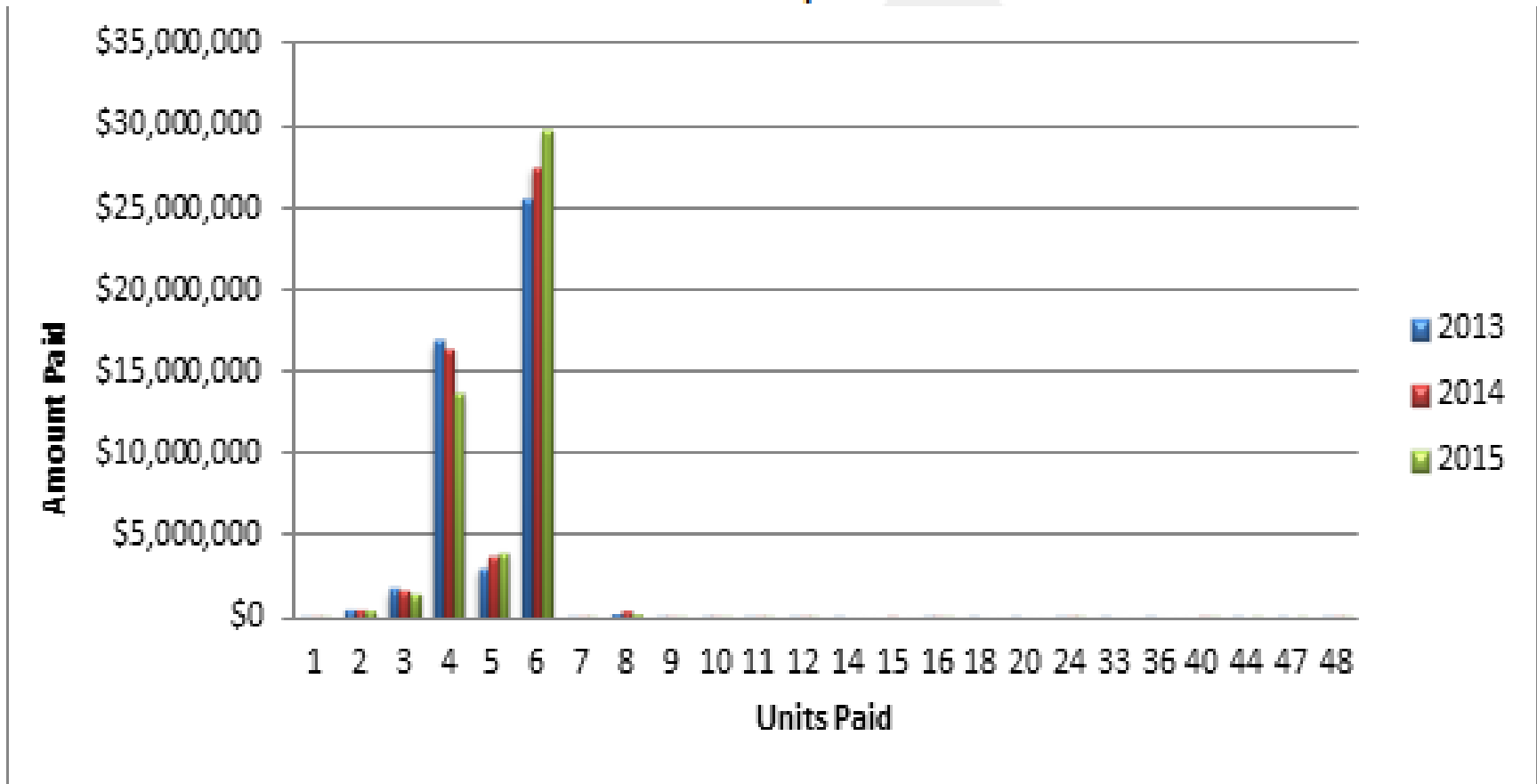
Table 2 - Group Psychotherapy Reimbursement Policy Comparison by State

State (Medicaid)	Procedure Code	Payment per Unit	Units (Minutes)	Number of Participants	Daily Unit Limit	Yearly Unit Limit	
AL	90853	\$23.00	90	2-10	1	12	
AR	90853	\$13.80	15	2-12 (18 or Older) 2-10 (Under 18)	6	None	
GA	90853	\$28.92	60	10 (maximum)	4 (< age 21)	24 (< age 21)	
					1 (>= age 21)	12 (>= age 21)	
LA	90853	\$22.05	60	No policy	1	24	
MS	90853	\$22.44	"Per service"	2-12 (18 or older) 2-10 (Under 18)	2	40	
TN	90853	N/A	N/A	N/A	N/A	N/A	
WV	Prior to 7/1/15	90853	\$18.65	75-80	12 (maximum)	N/A	N/A
	After 7/1/15	90853	\$18.65-\$19.58	60-80	None	No limit - 2	N/A
Medicare - Novitas	90853	\$25.01	45-60	10 (maximum)	N/A	N/A	

Comparative Analysis of Arkansas Policy

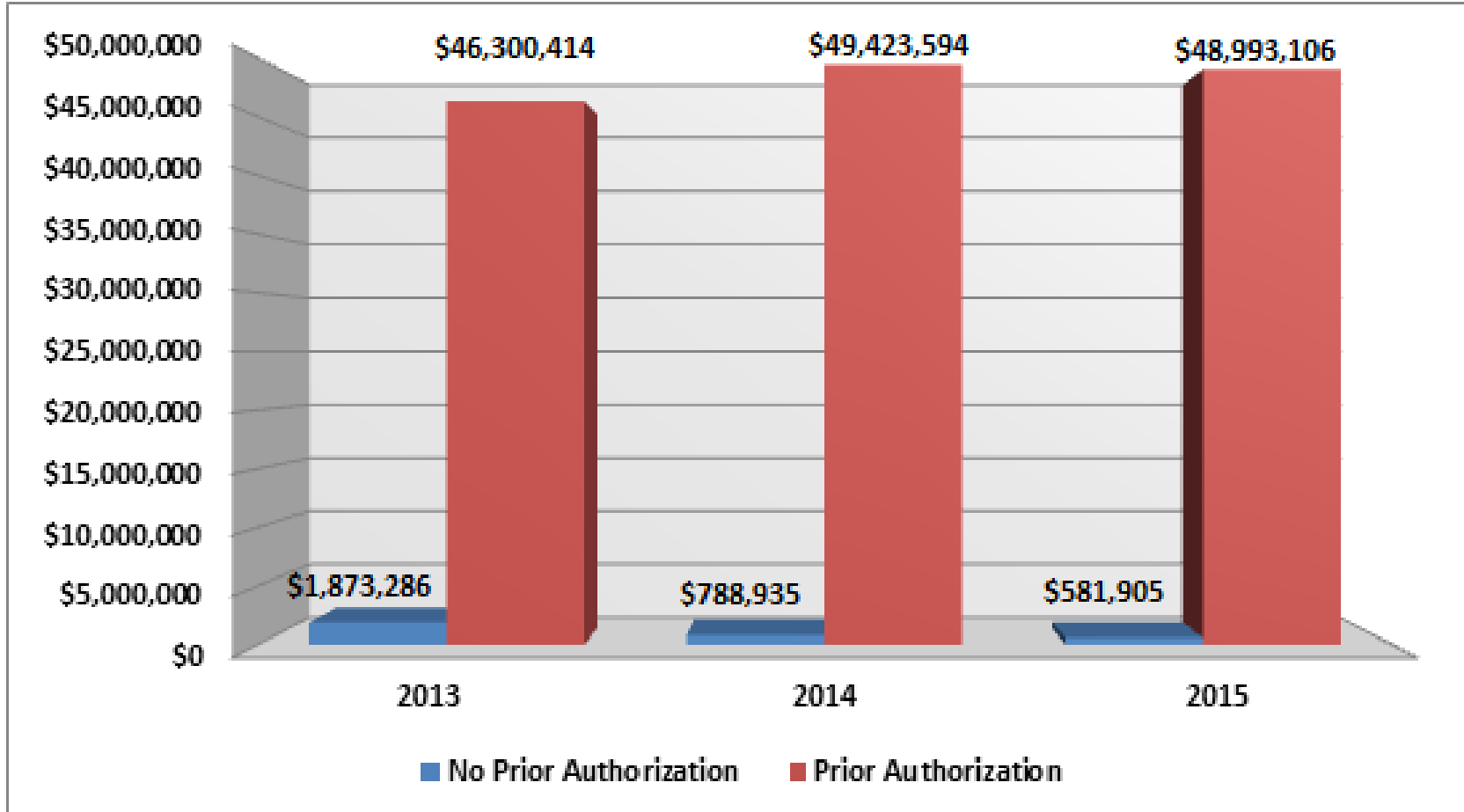
Most Group Psychotherapy sessions are billed at 6 units

Chart 2 – Total Units Paid per Claim 2013-2015



Analysis of Arkansas Expenditures

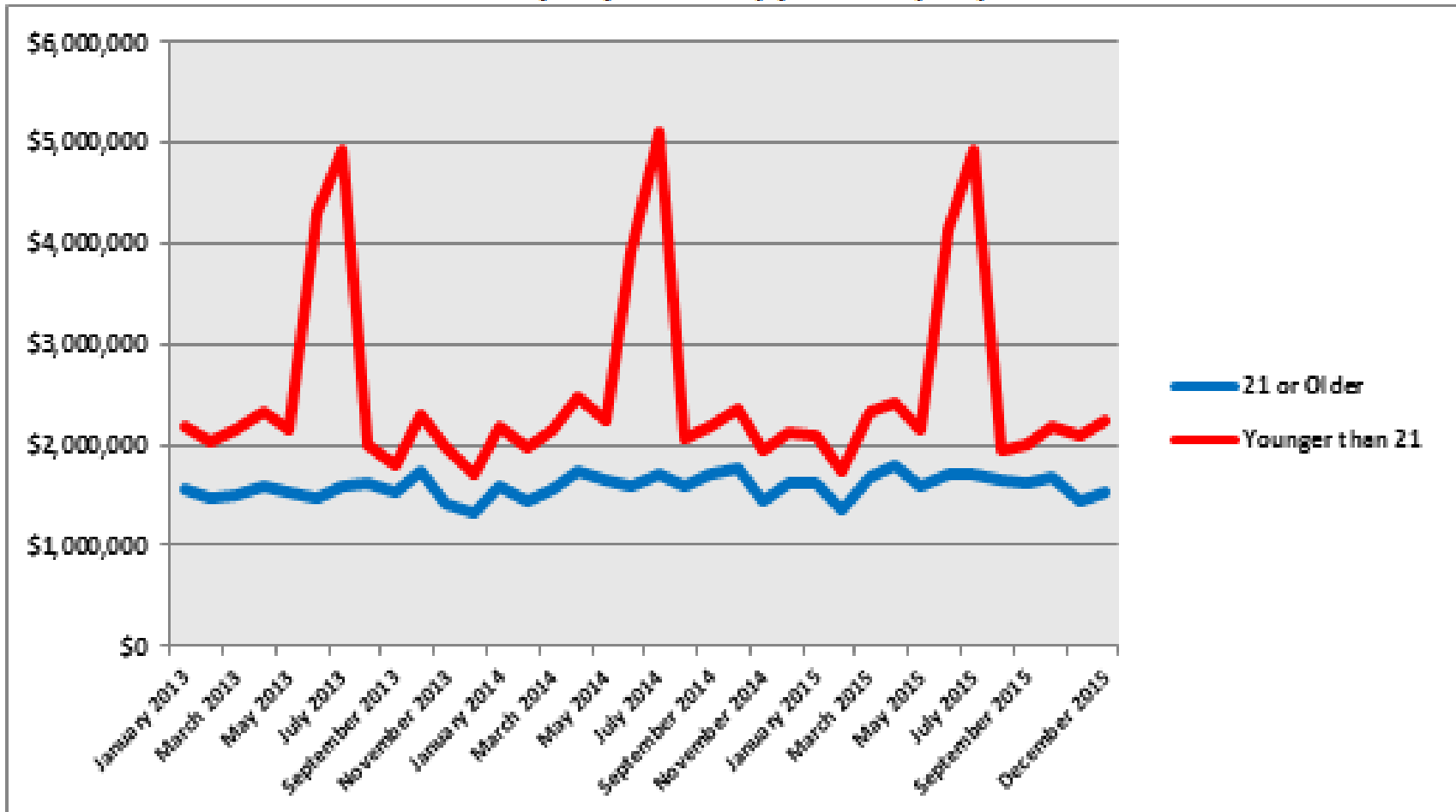
Chart 1 – Arkansas Medicaid Payments for Group Psychotherapy by Prior Authorization Status



Analysis of Arkansas Expenditures

Group Psychotherapy Summer Spike

Chart 3 – Arkansas Group Psychotherapy Monthly Payment Totals 2013 -2015



Recommendations for Group Psychotherapy Billing

- I. Reduce payment from \$82.80 to **\$40** per day per recipient
- II. Cap allowed number of units at **4 (60 min)** rather than 6 (90 min) per day per recipient
- III. Cap allowed number of units per recipient to **150 per year**

- IV. Implementation of all 3 recommendations**
- V. Additional requirements and review for Prior Authorization

Potential Cost Savings

- I. Reducing payment from \$82.80 to **\$40** per day per recipient.

Table 5 – Reduction in Unit Payments from \$13.80 to \$10.00

Year	Total Paid at Current Policy	Total if Amount Paid per Unit Were \$10.00	Potential Savings
2013	\$48,173,701	\$35,004,431	\$13,169,270
2014	\$50,212,529	\$36,482,612	\$13,729,917
2015	\$49,575,011	\$35,999,989	\$13,575,022
Totals	\$147,961,241	\$107,487,032	\$40,474,209

Potential reduction in billing or cost savings of \$13 million dollars annually

Potential Cost Savings

II. Capping number of units at **4 (60 min)** rather than 6 (90 min) per day per recipient.

Table 6 – Reduction in Daily Unit Limit from 6 to 4

Year	Total Paid at Current Policy	Total Paid if Daily Unit Maximum were 4	Potential Savings
2013	\$48,173,701	\$38,235,852	\$9,937,848
2014	\$50,212,529	\$39,617,686	\$10,594,844
2015	\$49,575,011	\$38,568,927	\$11,006,084
Totals	\$147,961,241	\$116,422,465	\$31,538,776

Potential reduction in billing or cost savings of \$10 million dollars annually

Potential Cost Savings

III. Capping number of sessions per recipient to 150 per year.

Table 7 – Implementation of a Maximum of 150 Units per Year

Year	Total Paid at Current Policy	Total Paid with Yearly Limit of 150 Units	Potential Savings
2013	\$48,173,701	\$25,742,482	\$22,431,219
2014	\$50,212,529	\$26,389,867	\$23,822,662
2015	\$49,575,011	\$25,665,040	\$23,909,971
Totals	\$147,961,241	\$77,797,389	\$70,163,851

Potential reduction in billing or cost savings of \$23 million dollars annually

Potential Cost Savings

IV. Implementation of all 3 recommendations

Table 9 – Implementation of All Three Recommendations

Year	Total Paid at Current Policy	Estimated Payments with Multiple Policy Changes	Potential Savings
2013	\$48,173,701	\$13,422,766	\$34,750,935
2014	\$50,212,529	\$13,830,275	\$36,382,255
2015	\$49,575,011	\$13,470,718	\$36,104,293
Totals	\$147,961,241	\$40,723,759	\$107,237,482

If all three recommendations had been implemented, a total of just under \$110 million might have been saved by the Arkansas Medicaid program which is an average of \$35.7 million per year.

Potential reduction in billing or cost savings of up to \$35 million dollars annually

