BEHAVIORAL HEALTH CARE PAYMENT VARIATION AMONG MASSACHUSETTS PUBLIC AND COMMERCIAL PAYERS

CAROLINA-NICOLE HERRERA, PhD; AMY DOYLE, MSW, MPH; MATT PECORARO MSW; LAURA NASUTI, PhD, MPH; KATY YANG KOWALSKY, LICSW, MPH; JAYLEN CLARKE, MSc; KATYA FONKYCH, PhD; DAVID AUERBACH, PhD

MASSACHUSETTS HEALTH POLICY COMMISSION

INTRODUCTION

The nation is facing a behavioral health (BH) access crisis: utilization is rising and workforce shortages are growing.[1] One factor contributing to BH workforce shortages is low provider payment rates. Most payers pay lower rates for BH services than for medical/surgical services. Low payment can discourage clinicians from accepting public or private insurance.[2] In response, some states are using Medicaid rate reforms to strengthen the BH safety net and workforce.

In 2023, as part of the Commonwealth's Behavioral Health Roadmap,[3] MassHealth (Massachusetts Medicaid program) significantly increased rates for behavioral health care services (including office-based psychotherapy), created a new rate specifically for 24-hour community behavioral health centers (including crisis care), and engaged in a series of accountable pay organization initiatives. In addition to these initiatives, the Massachusetts Legislature charged the Massachusetts Health Policy Commission's (HPC) Behavioral Health Workforce Center with several studies to assess the needs of the behavioral health workforce, including a study on the adequacy of behavioral health rates.[4]

OBJECTIVES

Prior studies have compared Medicare to commercial rates for BH, despite some services, particularly for children, not having analogues in Medicare.[5] Few studies have compared Medicaid rates for BH services to the payments of commercial payers, despite their patient populations being more similar.[2]

This study describes differences in reimbursement rates at the provider-level for the most common, office-based BH services covered by commercial insurance and Medicaid: psychotherapy and psychiatric evaluations.[6] Using claims and Medicaid fee-schedule data, the researchers estimated commercial BH utilization and compared commercial and MassHealth BH prices by provider type, setting (office versus telehealth[i]), and network status (in vs out-of-network) to better understand BH utilization and prices in Massachusetts.

i As part of legislation passed in 2022, Massachusetts fully-insured payers and Medicaid are required to pay at parity for behavioral health telehealth visits. Acts of 2020, Chapter 260.

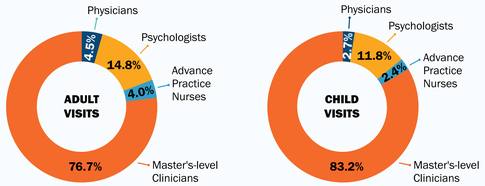
STUDY DESIGN

The HPC used descriptive analysis to assess variation in utilization and payment for psychiatric evaluations (CPT 90791, 90792), individual psychotherapy (CPTs 90832, 90833, 90834, 90836, 90837, 90838), and group psychotherapy (CPT 90846, 90847, 90853).[7] Utilization and rates paid for commercially insured members were determined using the Center for Health Information and Analysis (CHIA) Massachusetts All-Payer Claims Database v.2023 which included data for over 1.5 million commercially-insured members. Commercial utilization was estimated for in-network adult and child visits by setting (office or telehealth) and only included claims with one of the following identifiable provider types: physicians, advance practice registered nurses, psychologists, and master's-level BH clinicians. MassHealth provided data on rates paid for select BH services provided at community mental health centers (CMHCs). Commercial and MassHealth rates were stratified by provider type.

RESULTS

Master's-level clinicians delivered 76.7% of adult and 83.2% of child psychotherapy and psychiatric evaluation visits covered by commercial insurance. Master's-level clinicians also delivered 84% of in-network visits for psychotherapy and psychiatric evaluations without medical services (**Exhibit 1**). Physicians (MD/DOs) and advance practice nurses each delivered an equal share of psychiatric evaluations and psychotherapy visits with medical services.

EXHIBIT 1. Graduate-level providers of adult psychotherapy and psychiatric evaluations for adult commercially insured members, 2023

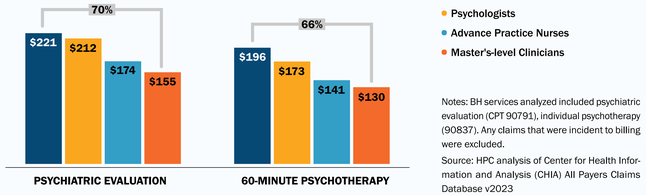


Notes: Utilization analysis performed on ambulatory professional commercial claims. Non-medical BH services analyzed included (CPTs 90791, 90832, 90834, 90837, 90846, 90847, 90853) and medical BH services analyzed included (CPTs 90792, 90833, 90836, 90838). Any claims that were incident to billing were excluded. Analysis of non-medical services included utilization from independently licensed providers of the following types: physicians, psychologists, advance practice nurses, and master's-level clinicians. Analysis of BH services with medical services excluded master's-level clinicians and psychologists.

Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

Commercial payers reimbursed physicians more than other graduate-level clinicians for most non-medical psychotherapy and psychiatric evaluations in 2023 (**Exhibit 2**). For the non-medical BH services in this study, commercial payers reimbursed master's-level clinicians at 49% to 75% of the rate of MD/DOs (data not shown).

EXHIBIT 2. Average commercial allowed amounts for in-network, non-medical 60-minute psychotherapy and psychiatric evaluations visits for adults by provider type, 2023

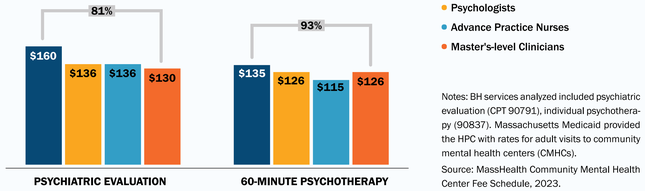


Notes: BH services analyzed included psychiatric evaluation (CPT 90791), individual psychotherapy (90837). Any claims that were incident to billing were excluded.

Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023

MassHealth also paid physicians more than other graduate-level clinicians for most non-medical psychotherapy and psychiatric evaluations in 2023 (**Exhibit 3**). MassHealth reimbursed master's-level clinicians at 75-100% of the rate of MD/DOs. Rates for 45-minute, 60-minute, family, and group psychotherapy were all paid at more than 90% of the physician rate (data not shown).

EXHIBIT 3. Massachusetts Medicaid rates for in-network, non-medical 60-minute psychotherapy and psychiatric evaluations visits for adults by provider type, 2023



Notes: BH services analyzed included psychiatric evaluation (CPT 90791), individual psychotherapy (90837). Massachusetts Medicaid provided the HPC with rates for adult visits to community mental health centers (CMHCs).

Source: MassHealth Community Mental Health Center Fee Schedule, 2023.

CONCLUSIONS

This study explored the rates paid by public and private payers for common, office-based BH services provided by physicians, psychologists, advanced practice nurses, and master's-level clinicians, providing a baseline for future tracking and monitoring of rate reforms.

In 2023, master's-level clinicians delivered most non-medical psychotherapy and psychiatric evaluation services and received the lowest reimbursement for those services for commercially-insured patients in MA.

Commercial payers reimbursed visits with master's-level clinicians at less than 75% of the rate of physicians.

In contrast, MassHealth rate reforms increased master's-level clinician reimbursement rates to over 75% of the physician rate. In shrinking the gap between physicians and master's-level clinicians, MassHealth reforms also removed the difference between state Medicaid and commercial prices for the master's-level BH workforce.

POLICY IMPLICATIONS

Understanding the differences between reimbursement rates by provider types is an important first step in identifying challenges to growing and maintaining a robust BH workforce.

Master's-level clinicians comprise more than 75% of the nation's behavioral health specialists,[8] and supporting this workforce is critical to meet rising BH needs. In 2023 in Massachusetts, MassHealth raised some BH service rates for master's-level clinicians to over 90% of the physician rate. Payers seeking to expand the master's-level workforce may consider paying master's-level providers at 90-100% of the rate paid to doctoral-level providers. Annual behavioral health rate increases in alignment with reasonable and known cost increases may help reinforce reforms.

Ongoing tracking of rates paid and outcomes is critical to understanding whether reforms are influencing BH workforce capacity and access. Health care leaders and state policymakers should continue to monitor the outcomes from rate reforms and track whether commercial payers adopt similar payment practices.

CONTACT

Carolina Herrera, Senior Researcher
Behavioral Health Workforce Center and Research and Cost Trends, Health Policy Commission
Carolina-Nicole.Herrera@mass.gov

Amy Doyle, Director
Behavioral Health Workforce Center, Health Policy Commission
Amy.Doyle3@mass.gov

MassHPC.gov/BH-workforce

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Download the behavioral health payments report.

View HPC posters online.