Examination of Payments for Behavioral Health Care Services

May 2026

BEHAVIORAL HEALTH WORKFORCE CENTER

MASSACHUSETTS HEALTH POLICY COMMISSION

Legislative Mandate

Pursuant to Chapter 28 of the Acts of 2023 (the FY24 budget), the HPC's Behavioral Health Workforce Center is charged with:

> *"conducting or contracting for a comprehensive study and analysis of rates paid for behavioral health services by both private and public payers and the adequacy of said rates to support the provision of equitable, quality behavioral health services in the Commonwealth."*

BEHAVIORAL HEALTH WORKFORCE CENTER

Executive Summary

- **Massachusetts is facing a behavioral health (BH) access crisis**. More than one-fifth of Massachusetts residents use BH services, but **10% of Massachusetts residents report delaying or avoiding needed BH care due to access challenges.**[1] **Provider shortages across all settings** were among the primary reasons cited for not accessing BH care. Prior studies reported Massachusetts residents as waiting an average of 10-14 weeks for new outpatient BH services and more than 20 weeks for new in-home therapy services.[2,6] Since 2020, multiple inpatient psychiatric facilities and intensive outpatient programs have closed.[3] BH providers have raised concerns about inadequate payment rates for BH services, which contribute to hiring and retention challenges, and ultimately worsen patient access to care.[4] More than **25% of independent psychotherapy providers in Massachusetts accept only cash payment**, in part due to low insurance reimbursement rates.[5]
- In this report, the Massachusetts Health Policy Commission (HPC) Behavioral Health Workforce Center (BHWC) team **analyzed the rates paid by public and private payers for common BH services,** by provider level and facility type, and payer type, for data from calendar year 2023. The BHWC used several strategies in seeking to address this charge:

1. Center for Health Information and Analysis (CHIA). Findings from the 2023 Massachusetts Health Insurance Survey: Behavioral Health.
2. Association for Behavioral Health Care. Kids Are Waiting: Children's Behavioral Health Services Crisis And Collapse. Issue Brief. December 2023
3. Hospital essential service closures | Mass.gov
4. Low Reimbursements Threaten Behavioral Health Providers' Bottom Line - Behavioral Health Business
5. Zhu JM et al. Insurance acceptance and cash pay rates for psychotherapy in the US. *Health Aff Sch*. 2024;2(9):qxae110.
6. Association for Behavioral Health Care. Outpatient Mental Health Access And Workforce Crisis. Issue Brief. February 2022.

Executive Summary: Key Findings

The following key findings informed the BHWC's policy recommendations to sustainably improve access to BH care in Massachusetts.

- **Master's-level providers delivered the majority of non-medical psychotherapy and psychiatric evaluation services yet often received the lowest reimbursement for those services**. Independently licensed master's-level clinicians, such as social workers and licensed mental health counselors, are trained specifically to deliver high-quality psychotherapy and psychiatric evaluations. Yet, for most office-based services, physicians are paid the highest rate by commercial and public payers.
- **Differences in the rates paid between provider types for common office-based BH services were greatest among commercial payers.** For psychotherapy, commercial payers reimbursed master's-level clinicians at about 66% the rate of physicians. In contrast, MassHealth paid master's-level clinicians at 93% the rate of physicians for psychotherapy.
- **Commercial reimbursement to physicians performing BH services was lower than commercial reimbursement to physicians performing comparable office-based health care services.** Physicians were reimbursed for evaluation and management visits and medical specialty visits 2.6 and 6.0 times more, respectively, than for psychotherapy visits for an equivalent amount of time. This lower reimbursement for providers performing BH care is mirrored in the wage data analysis.
- **Commercial rates for psychotherapy grew more slowly than inflation between 2019 and 2023.** Price growth for 60-minute psychotherapy lagged behind both the Consumer Price Index (CPI) and the commercial price growth for primary care. Stakeholder feedback suggests that many health care organizations consider BH services a source of costs rather than revenue. As demand increases, if the prices for BH care do not keep pace with wages and the economy, then lower-cost BH services may become too costly for some organizations to provide.

Executive Summary: Recommendations

- **Reduce payment differentials among provider and facility types for the same services.** The Legislature should consider establishing limits on commercial payment differentials, ensuring master's-level providers are paid 90-100% of the rate paid to doctoral-level providers for office and telehealth BH services. Commercial payers should consider adjusting per diem payment rates for inpatient psychiatric admissions by increasing rates for stays in non-acute hospitals. Rate increases should not lead to increased premiums, deductibles, cost-sharing, or treatment limitations for patients.
- **Establish minimum payment levels for commercial payers.** The Legislature should consider establishing minimum payment levels for commercial payers, equivalent to 150% of the Medicare rate for office and telehealth BH services covered by Medicare or 150% of the Medicaid rate for office and telehealth BH services not covered by Medicare.
- **Adjust BH payment increases by economic measures.** Both commercial payers and MassHealth should adjust payments to BH providers and facilities in alignment with reasonable and known cost increases, including cost of living and provider wages.
- **Strengthen state investment into MassHealth.** The Legislature should consider targeted financial investments to sustain MassHealth's efforts to increase reimbursement for BH providers.
- **Investigate the capacity and sustainability of the BH markets.** The HPC will further explore cost-sharing, out-of-network payments, and cash payments for BH services and monitor data to identify any changes to consumer costs.
- **Sustain funding to support future work of the BHWC.** Future BHWC reports should investigate the relationship between commercial rates, cash pay rates, and BH workforce salaries. The Legislature should ask the HPC and BHWC to convene and chair a task force focused on assessing the cost of delivering BH services across care settings and developing recommendations to inform payer methodologies, ensuring alignment with reasonable and known costs, including price inflation, cost of living, and provider wage increases.

MASSACHUSETTS
HEALTH POLICY COMMISSION

UP NEXT: OVERVIEW OF BEHAVIORAL HEALTH CARE IN MASSACHUSETTS

- Rates Paid for Office/Telehealth Services in 2023
- Rates Paid for Facility Services in 2023
- Differences Between Behavioral Health Care Rates and Other Medical Services
- Conclusions
- Recommendations and Next Steps
- Data Sources, Methods, and Acknowledgements

Behavioral health needs are increasing.

- Behavioral Health (BH) is a medical field that addresses mental, behavioral, and substance use conditions. At least **20% of people in the United States experience a BH condition** during their lifetime.[1] The causes of BH symptoms include genetic pre-disposition, environmental factors, and traumatic experiences.[2]
- Over the last ten years, **rates of diagnosis and reported symptoms of mental and behavioral conditions have been rising.**[3,12] Adolescent and adult depression prevalence rose from 8.2% to 13.1% between 2013 and 2023.[4] Surveillance data suggests rates of behavioral and developmental disorders, such as autism, are also rising.[5,6] Illicit drug use by adolescents has been declining,[7] and holding steady for adults.[8]
- Rising **diagnosis rates reflect health crises** (opioid epidemic,[9] pandemic related stressors,[9] aging population[10]), **greater public awareness** of symptoms and signs,[11] **increased screening** of children, particularly in historically underserved communities,[5] and **decreased stigma** around seeking help and treatment. [12]

1. Mental Illness - National Institute of Mental Health (NIMH).
2. Mental illness - Symptoms and causes - Mayo Clinic.
3. National Academies. Blueprint for a National Prevention Infrastructure for Mental, Emotional, and Behavioral Disorders (2025).
4. Brody DJ and Hughes JP. Depression prevalence in adolescents and adults: United States, August 2021–August 2023. 2025 Apr; (527)1–11.
5. Shaw KA, et al. Prevalence and Early Identification of Autism Spectrum Disorder Among Children Aged 4 and 8 Years — Autism and Developmental Disabilities Monitoring Network-16 Sites-United States 2022, MMWR Surveill Summ 2025;74(No. SS-2):1–22.
6. Zablotsky B, et al. Prevalence and Trends of Developmental Disabilities among Children in the United States: 2009-2017. *Pediatrics*. 2019;144(4):e20190811.
7. Miech, RA, et al.. Monitoring the Future national survey results on drug use, 1975–2024: Overview and detailed results for secondary school students. (2025). Institute for Social Research, University of Michigan.
8. Patrick, ME, et al Monitoring the Future Panel Study annual report: National data on substance use among adults ages 19 to 65, 1976-2024. (2025). Institute for Social Research, University of Michigan.
9. Panchal N, et al. The implications of COVID-19 for mental health and substance use. Kaiser Family Foundation. 2020 Apr 21;21:1-6.
10. Older Adults See Spike in Mental Health Diagnoses.
11. Should We Be Concerned About the Trends in Mental Illness? | Psychology Today.
12. Mental Health Diagnoses Take Unprecedented Leap.

Behavioral health care is performed by different provider types, in nearly every type of care setting.

- BH care is **performed by BH clinicians** (licensed professionals, certified paraprofessionals, and support specialists) **or by prescribers, including primary care providers** (physicians, advance practice nurses, physician assistants, registered nurses, and allied health professionals).[1] **BH care is provided by multiple organization types** such as independently licensed and practicing clinicians, clinician groups, public clinics, private and non-profit health care and wellness facilities, health care corporations, and health systems. Outpatient programs bill for office-based care and are typically paid by unit of service (e.g., per time-based visit), or as part of a bundle of services. Facility-based BH care may be paid hourly, daily (per diem), weekly, by discharge, or per diagnosis-related group (DRG).
- **BH care occurs in multiple settings.** In 2023, 62% of commercial spending and 54% of MassHealth spending for BH services occurred in outpatient settings.[2] About 18% of commercial spending and 24% of MassHealth spending for BH services occurred in inpatient settings.[2] **BH care is increasingly being performed through telehealth**.[3] Before the pandemic, less than 1% of medical and mental health visits in Massachusetts were performed via telehealth. [9] By December of 2020, 16% of medical visits and 81% of mental health visits were performed via telealth.[4] National studies suggest that by December 2022, most community centers, health systems, stand-alone BH organizations, and independent providers in private practice had adopted telehealth capabilities.[5]
- BH services have narrower provider markets than medical care, meaning that**a higher percentage of BH providers are "out-of-network"**.[6] Prior to the pandemic, estimates suggested that at least a quarter of commercial spending on psychiatry occurred out of network.[7] Nationally, commercial rates for out-of-network psychotherapy grew faster than in-network payments between 2007-2017.[8]

1. State of North Carolina's Mental Health and Substance Use Services Workforce: Need, Supply, and Distribution Landscape Assessment
2. CHIA. Massachusetts Behavioral Health Dashboard (2025)
3. HPC. 2025 Annual Health Care Cost Trends Report and Policy Recommendations Chart Pack
4. HPC Telehealth Use in the Commonwealth and Policy Recommendations
5. Fleddermann K, et al. Levels of Telehealth Use, Perceived Usefulness, and Ease of Use in Behavioral Healthcare Organizations After the COVID-19 Pandemic. *J Behav Health Serv Res*. 2025;52(1):48-63.
6. Zhu JM, et al. Networks In ACA Marketplaces Are Narrower For Mental Health Care Than For Primary Care. *Health Aff (Millwood)*. 2017;36(9):1624–1631.
7. Song, Z., et al. Out-Of-Network Spending Mostly Declined In Privately Insured Populations With A Few Notable Exceptions From 2008 To 2016. *Health Aff (Millwood)*. 2020;39(6):1032-1041.
8. Benson NM, Song Z. Prices And Cost Sharing For Psychotherapy In Network Versus Out Of Network In The United States. *Health Aff (Millwood)*. 2020;39(7):1210-1218
9. Telehealth Utilization Higher Than Pre-Pandemic Levels, but Down from Pandemic Highs

Massachusetts' ability to meet rising behavioral health needs is under threat.

- **Massachusetts has a long history of investing in the BH workforce**, through loan forgiveness and repayment programming, graduate scholarship initiatives, provider licensure fee waivers, and financial support of graduate trainees completing required field placements.[1]
- However, some **outpatient programs and hospitals** that employ BH clinicians **reported ongoing or worsening challenges with recruitment and retention** in 2023.
  - **Applicant shortages:** Outpatient BH programs reported shortages in eligible applicants for health care positions.[2]
  - **Recruitment:** 54% of outpatient BH programs reported problems recruiting independently licensed graduate-level clinicians.[2] 20% of public health hospitals reported problems recruiting BH paraprofessionals.[2]
  - **Retention:** 55% of outpatient BH programs reported problems retaining independently licensed graduate-level clinicians.[2] 20% of public health hospitals reported problems retaining BH paraprofessionals.[2]
  - **Vacancies:** Many social work (SW) positions were vacant: 25% of SW positions in community health centers, 19% of SW positions in adult day programs, 16% of SW positions in acute care hospitals, 16% of SW positions in home health care, and 12% of SW positions in nursing homes.[2] About 27% of psychiatrist positions were vacant in public hospitals. 29% of independently licensed graduate-level clinician positions were vacant in outpatient BH hospitals.[2]
- As a result of not being able to recruit or retain a sufficient BH workforce to expand organizational capacity to meet rising demand for care, **BH employers are now facing a burnout crisis:** 86% of outpatient BH and 64% of adult day services programs asked staff to take on additional responsibilities or tasks.[2] Similarly, 86% of outpatient BH programs asked staff to work additional hours.[2]

1. Massachusetts Executive Office of Health and Human Services (EOHHS). EOHHS Workforce Initiatives.
2. CHIA. Massachusetts Health Care Workforce Dashboard - December 2024 Update | Tableau Public

Behavioral health payment rates contribute to the capacity crisis.

- To build and strengthen capacity to deliver care, employers need to be able toadequately compensate for the time clinicians spend delivering care, as well as time spent on necessary administrative duties. However, **rates paid for BH care have been reported as being lower than rates paid for comparable health care services**.
- **Lower rates are associated with decreased access to care**. In Massachusetts, and in other states, low reimbursement rates for BH services have been associated with clinician burnout, with clinicians leaving direct care, and with organizational barriers to needed investment in service capacity.[1] A study by the U.S. Government Accountability Office (GAO) found that substantial increases in substance use treatment reimbursement rates led to increased access to BH treatment in several states.[2] In contrast, low rates discourage providers from joining health care networks and may contribute to the high percentage of psychiatrists who appear as available on provider directories, but do not serve any Medicaid patients.[3] When reimbursement rates do not cover costs, BH providers and organizational leaders may scale back services and supports.[4] That may even include facility closures.[5] In 2023, 63% of outpatient BH programs limited the volume of new individuals or families served.[6]
- In response, **some states have implemented payment reforms for BH services**. Massachusetts invested over $200 million dollars (FY2021 - FY2027) through the *Roadmap for Behavioral Health Reform* and targeted MassHealth rate increases.[7,8] Oregon raised rates paid for BH by its Medicaid program by 30% in 2025.[9] Washington State required the state employee health insurance plan to set a rate floor for primary care and BH services.[10]

1. Low Reimbursements Threaten Behavioral Health Providers' Bottom Line - Behavioral Health Business
2. Gov't Accountability Office, Medicaid: States' Changes to Payment Rates for Substance Use Disorder Services (Jan. 30, 2022)
3. Zhu, JM et al. 'Ghost' Physicians: More Than One-Quarter Of Physicians Enrolled In Medicaid Delivered No Care To Beneficiaries In 2021. *Health Aff (Millwood)*. 2026;45(2):129-137.
4. Pelech D, Hayford T. Medicare Advantage And Commercial Prices For Mental Health Services. *Health Aff (Millwood)*. 2019;38(2):262-267.
5. Tuttle, C. I don't want to close any more mental health centers | CommonWealth Beacon.
6. CHIA. Massachusetts Health Care Workforce Dashboard - December 2024 Update | Tableau Public
7. Blue Cross Blue Shield of Massachusetts Foundation. MassHealth's Role in Behavioral Health Care in Massachusetts. June 2021.
8. EOHHS. Roadmap for Behavioral Health Reform.
9. Oregon Health Authority. Behavioral Health Rates
10. Murray RC, et al. Hospital Payment Caps Could Save State Employee Health Plans Millions While Keeping Hospital Operating Margins Healthy. *Health Aff (Millwood)*. 2024;43(12):1680-1688.

Medicare rate setting methods and fee schedules often serve as the foundation of current payment models.

Traditional Medicare rates are set by the Centers for Medicare & Medicaid Services (CMS).[1]

- Medicare sets a base rate, or a "physician fee," for a given service. The Physician Fee Schedule is calculated based on provider type (level of training), practice expenses, and liability insurance as expressed through relative value units (RVUs).[2] Medicare rates may also be adjusted by other factors including geography and inflation.
- **Traditional Medicare rate differentials by provider type are established as a percentage of the physician rate for a given service. In accordance with this model, master's-level BH providers are paid a lower rate than psychologists and physicians for the same services.**[2,3]
- BHWC examined Traditional Medicare payment rates for psychiatric evaluations and psychotherapy. Under Medicare, a clinical psychologist with a PhD is paid 100% of the physician rate for the same psychiatric evaluation or psychotherapy service code. Medicare pays APRNs 85% of the physician rate for that service. The prices paid to LICSWs are 75% of the rate paid to psychologists, whereas if the non-physician provider bills under a supervising physician ("incident-to-billing") then Medicare pays the full physician fee for that service.

Medicare Fee Schedule (2024)[4]

% of the Physician Rate	Billing Clinician
100%	Clinical Psychologist
85%	Advance Practice Nurse (APRN)
75%	Licensed Independent Clinical Social Worker (LICSW)
75%	MA-level behavioral health clinicians

1. Medicare 101 | KFF
2. What to Know About How Medicare Pays Physicians | KFF
3. https://www.cms.gov/medicare/payment/fee-schedules/physician-fee-schedule/marriage-and-family-therapists-mental-health-counselors.
4. https://www.cms.gov/files/document/mln1986542-medicare-mental-health-coverage.pdf.
   Note: Medicare began covering mental health counselors and marriage and family therapists in 2024.

MassHealth Rates for Behavioral Health Services

- **MassHealth has a public rate setting process** for BH services and publishes rates annually in the Fee Schedule through the Executive Office of Health and Human Services (EOHHS) regulations.[1] MassHealth may also contract with accountable care organizations or managed care organizations (ACO/MCO) and allow them to negotiate rates through a BH benefits manager or directly with providers. ACO/MCO rates may be limited by spending floors or ceilings set by MassHealth.
- MassHealth sets BH fee-for-service rates in accordance with Chapter 257 of the Acts of 2008, which authorizes EOHHS to set "reasonable and adequate" reimbursement rates for some human and social services and includes a benchmark for human services wages at the 53rd percentile of salaries, according to the Bureau of Labor Statistics (BLS).[2,3] Rates for certain programs and services, such as those implemented through MassHealth's 1115 Demonstration Waiver, are excluded.[4]
- MassHealth directs members to its statewide network of BH providers. MassHealth does not typically pay for out-of-network care, unless it was unavoidable, acute care.
- Unlike Medicare and commercial payers, MassHealth usually does not require members to pay out-of-pocket for covered services.

1. EOHHS Regulations 101 CMR 306.00
2. EOHHS FY26 H.1 Budget Overview
3. M.G.L. Chapter 118E, Section 13D
4. Session Law - Acts of 2008 Chapter 257

Commercial Rates for Behavioral Health Services

- **Commercial insurers negotiate rates for BH services** with providers, provider groups, or through a BH benefits manager.
- Commercial insurers create provider networks, wherein consumers are directed to an in-network provider, and the in-network provider offers services at a lower rate, relative to out-of-network providers, in exchange for service volume. When services are out-of-network, the consumer may submit a claim to their commercial insurer that the insurer may pay in full, pay in part, or decline to pay, which is dependent on the benefit design of the consumer's plan.
- Commercial insurers may have different average rates paid for "in-network" services (pre-negotiated rates for a provider registered with the insurer) or "out-of-network" services (allowable rates for a provider not registered with the insurer).

Behavioral Health Utilization and Spending in Massachusetts

- **In 2023, 23% of commercially insured members used BH services**.[1] CHIA reported members with commercial insurance spent $53 per member per month (PMPM) in 2023 on BH care, comprising 7.7% of total commercial health spending.[2] Also in 2023, 16.5% of commercial spending on mental health care and 9.6% of commercial spending on substance use treatment was paid by commercial members, in the form of co-pays, deductibles, and co-insurance.[3]
- **In 2023, 29% of MassHealth members used BH services**.[1] CHIA reported people enrolled in MassHealth spent $141 PMPM in 2023 on BH care, comprising 22.1% of total MassHealth spending.[2] Spending by MassHealth is constrained, in part by the state budget and matching funds from the federal government. Unlike commercial payers, MassHealth may also pay supplemental payments to hospitals that does not appear as a direct rate increase but effectively increase reimbursement for facility services above the public rate.
- **In 2023, approximately 15% of people who reported having a behavioral health care visit reported paying for at least one visit entirely out-of-pocket or "cash-pay"**.[4] When consumers are seeking care from a provider who does not accept their insurance, they may need to file an out-of-network claim or cash-pay for the service. Out-of-network claims may result in the insurer covering a portion of the bill, and the consumer paying the remainder out-of-pocket. When BH claims are rejected by public or commercial payers, the consumer will be responsible for paying the bill in full. A recent study suggested **over 25% of BH therapists in Massachusetts exclusively accept cash-pay for psychotherapy**.[5]

1. CHIA. Behavioral Health Care Dashboard (2025)
2. CHIA. Performance of the Massachusetts Health Care System, Annual Report. March 2025.
3. CHIA. Massachusetts Primary Care and Behavioral Health Spending: 2022 and 2023. April 2025.
4. CHIA. Findings from the 2023 Massachusetts Health Insurance Survey. June 2024.
5. Zhu JM, et al. Insurance acceptance and cash pay rates for psychotherapy in the US. *Health Aff Sch*. 2024;2(9):qxae110.

- Overview of Behavioral Health Care in Massachusetts
- **UP NEXT: RATES PAID FOR OFFICE/TELEHEALTH SERVICES IN 2023**
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Behavioral health procedures commonly used by commercial members are the primary focus of the office-based services section.

- For this study, the BHWC defined BH office-based services as assessment, treatment and maintenance care that can be performed by multiple provider types and are delivered in homes, offices, schools, or health centers.
- In this section, BHWC presents results from a few illustrative BH office-based services:
  - **Psychiatric Diagnostic Evaluation** (CPT 90791, 90792) is a common service that can be provided by multiple provider types. This comprehensive assessment includes evaluation and diagnosis of a BH condition.
  - **Individual Psychotherapy** (CPT 90837, CPT 90836, CPT 90834) is a common service that can be provided by multiple provider types.
  - **Neuropsychological Testing** (CPT 96136, 96137) is part of the diagnostic process for a suspected neurodivergence, developmental disability or behavioral condition.
  - **Applied Behavioral Analysis** (ABA) therapies (CPT 97153) are specialized interventions, commonly provided to individuals with Autism Spectrum Disorder (ASD) and other neurodevelopmental conditions.
- For BH office-based codes, HPC compared the average rates derived from commercial claims to MassHealth and Medicare fee schedules.

Note: For this report, ambulatory settings include offices, hospital outpatient departments (HOPDs), community health centers, homes, schools, community BH centers, and telehealth. HPC examined 37 unique procedure codes that fell into several broad categories: psychotherapy, diagnosis and examination, substance use treatment, behavioral therapies, other psychiatric treatments, and add on-codes. Some procedure codes were identified using the American Medical Association Current Procedural Technology (CPT) (copyright).

The Behavioral Health Workforce Center (BHWC) conducted an analysis of office-based services focused on comparisons of rates between graduate-level, independently licensed clinicians.

- **Graduate-level clinicians** included physicians (**MD**), psychologists (**PhD**), master's-level BH clinicians (**MA**), and advance practice registered nurses (**APRN**) who billed independently of physicians. For this report, MAs include but are not limited to licensed independent clinical social workers (**LICSW**) and licensed mental health counselors (**LMHC**).
- **Average commercial rates are based on claim information about the clinician's** qualification. All services billed under a supervising physician (e.g., incident-to-billing and intern-provided care) were excluded from rates analysis.
- **MassHealth rates are based on reported reimbursements** paid to Community Mental Health Centers (CMHCs), Applied Behavioral Analysis (ABA) therapists, or to non-facility-based BH providers. MassHealth has rate methodology that differentiates some service rates by provider or facility type.
- **Medicare rates are based on the Boston-Metropolitan area, non-facility, physician fee schedule for CY 2023**. Under Traditional Medicare, non-physician BH providers are paid a lower rate than BH physicians.[1,2] Medicare pays APRNs 85% of the physician rate. For BH services without a medical component, Medicare fee-for-service prices paid to clinical psychologists with a PhD are 100% of the physician rate, whereas clinical social workers and other master's-level BH clinicians are paid 75%.

1. CMS. Medicare & Mental Health Coverage. April 2025. Note: Medicare began covering mental health counselors and marriage and family therapists in 2024.
2. MassHealth. 101 CMR 306.00: Rates for Mental Health Services Provided in Community Health Centers and Mental Health Centers.

Over 70% of commercial psychotherapy visits were performed by master's-level clinicians in 2023.

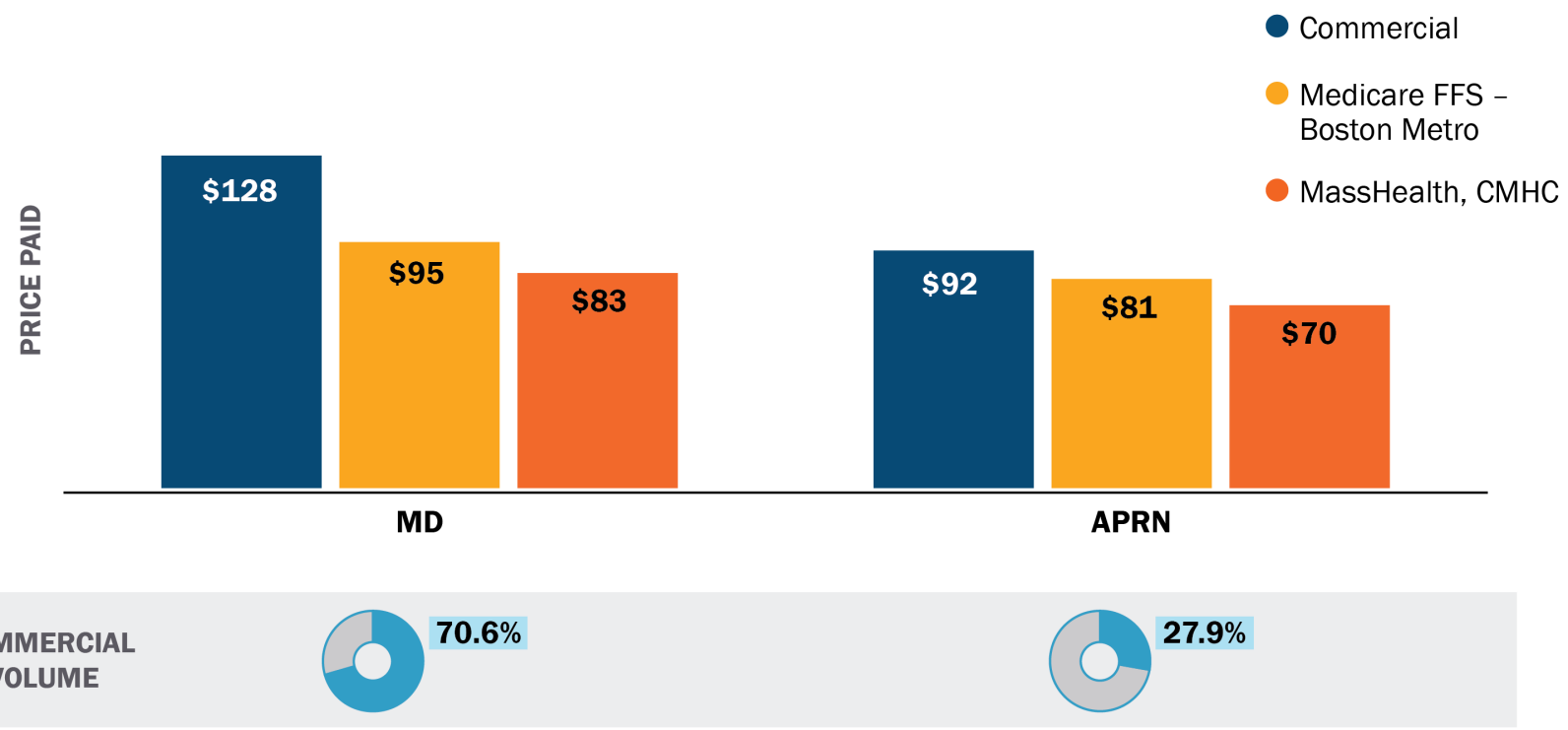
Psychotherapy provider types in commercial claims data for adults and children, 2023

Provider type	Share of psychotherapy visits	Examples
Master's-Level Clinician (MA)	**73%**	Clinical Social Worker, Social Worker, Mental Health Counselor, Counselor, Addiction (Substance Use Disorder) Counselor, Marriage & Family Therapist, etc.
Psychologist (PhD)	**13%**	Clinical Psychologist, Psychologist, Counseling Psychologist, Clinical Child & Adolescent Psychologist, etc.
Other BH Clinician	**6%**	Other Behavioral Technician, Interns, Physicians Assistants, etc.
Physician (MD)	**4%**	Primary Care Physician, Addiction Medicine Physician, Psychiatrist, etc.
Advance Practice Registered Nurses (APRN)	**3%**	Psychiatric/Mental Health Nurse Practitioner (Adult and Child/Adolescent), Psychiatric/Mental Health Clinical Nurse (Adult and Child/Adolescent), Nurse Practitioner

Notes: Common procedure codes for individual psychotherapy (90832, 90833, 90834, 90836, 90837, 90838, 90839, 90840, 90846, 90847, 90849, 90853). Categorization as MA, APRN, PHD, and MD based on provider modifiers and taxonomy. Includes incident to billing claims. Providers identified using specific taxonomy codes. See technical appendix for details.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

Generally, commercial payers paid more for psychotherapy with medical services than other payers.

Average allowed amounts for in-network, 45-minute psychotherapy with medical services (CPT 90836) visits for adults by provider type and payer, 2023



Notes: Common procedure codes for individual psychotherapy (90836). Commercial insurers rates for APRN and MD providers based on provider modifiers and taxonomy. All incident to billing claims were excluded. MassHealth provided HPC with 2023 APRN and MD rates for services provided in community mental health centers (CMHCs). For Medicare rates, HPC used the Boston-Metro region, non-facility payments under the 2023 physician FFS schedule. Medicare rates were calculated as follows: APRN=85% of MD.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023; MassHealth Community Mental Health Center Fee Schedule, 2023; and Medicare CY2023 Physician Fee Schedule.

Add-on code for **Individual Psychotherapy with medical evaluation and management** (w/ E&M), 45 minutes (CPT 90836) was among the BH procedures billed most often by commercial clients. For these visits, **medical decisions often involved prescribing**. For example, the provider would bill separately for an office visit and for psychotherapy w/ E&M.

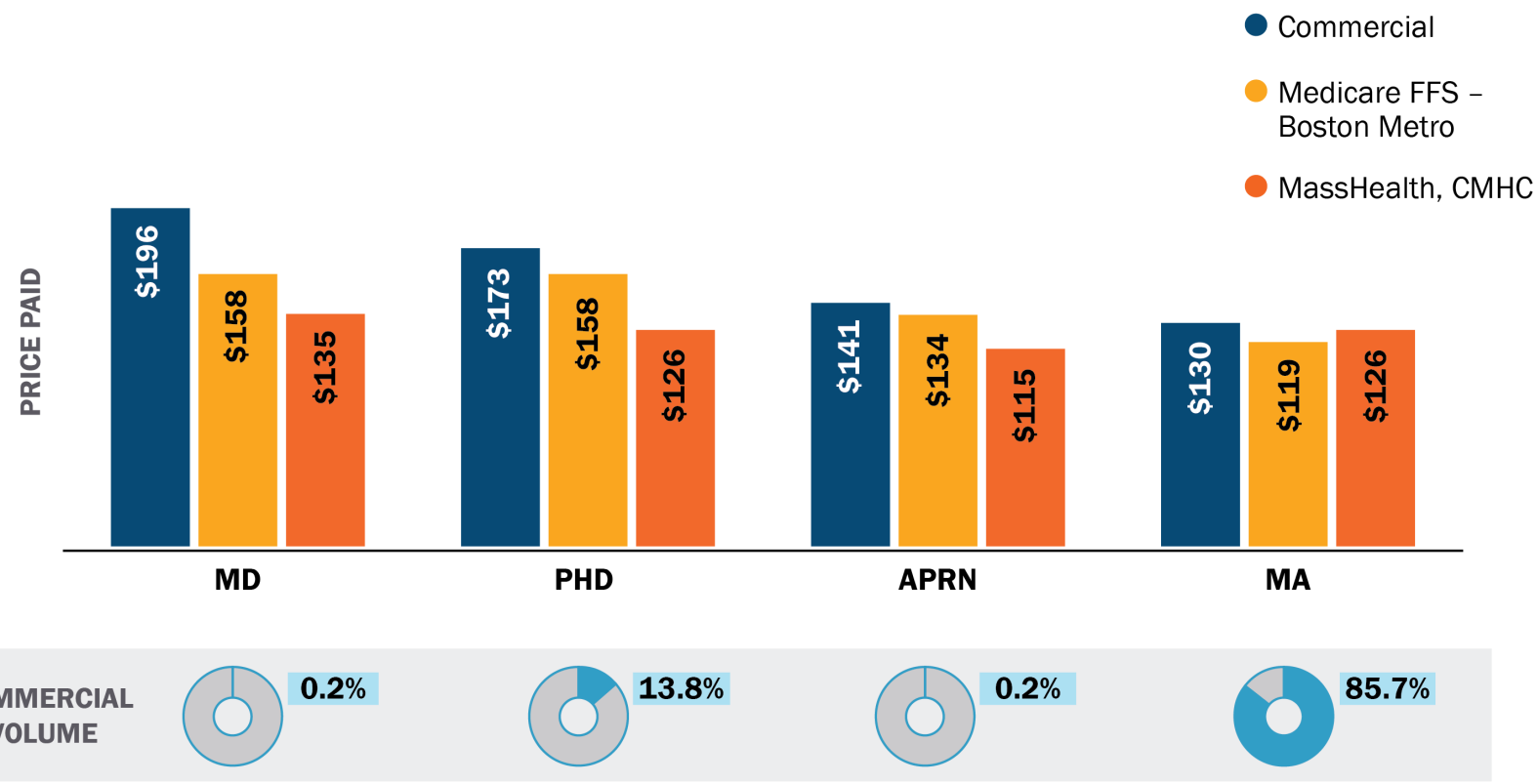
Physicians provided 70.6% of adult, in-network CPT 90836 visits.

Commercial payers paid the highest prices for CPT 90836 at every level of clinician, at approximately **114%-135% the price paid by Medicare FFS**.

Commercial insurance paid APRNs about 71% the MD rate for CPT 90836. Medicare and MassHealth paid APRNs about 85% of the MD price.

Commercial payers paid master's-level clinicians similar rates as MassHealth for psychotherapy.

Average allowed amounts for in-network, 60-minute psychotherapy visits (CPT 90837) for adults by provider type and payer, 2023



Notes: Common procedure codes for individual psychotherapy (90837). Commercial insurers rates for MA, APRN, PhD, and MD providers based on provider modifiers and taxonomy. All incident to billing claims were excluded. MassHealth provided HPC with 2023 MA, APRN, PHD, and MD rates for services provided in community mental health centers (CMHCs). For Medicare rates, HPC used the Boston-Metro region, non-facility payments under the 2023 physician FFS schedule. Medicare rates were calculated as follows: MA=75% of MD, APRN=85% of MD, and PHD=100% of MD.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023; MassHealth Community Mental Health Center Fee Schedule, 2023; and Medicare CY2023 Physician Fee Schedule.

Master's-level clinicians provided 86% of adult, in-network 60-minute individual psychotherapy visits without medical services (CPT 90837) to adult commercial members in 2023.

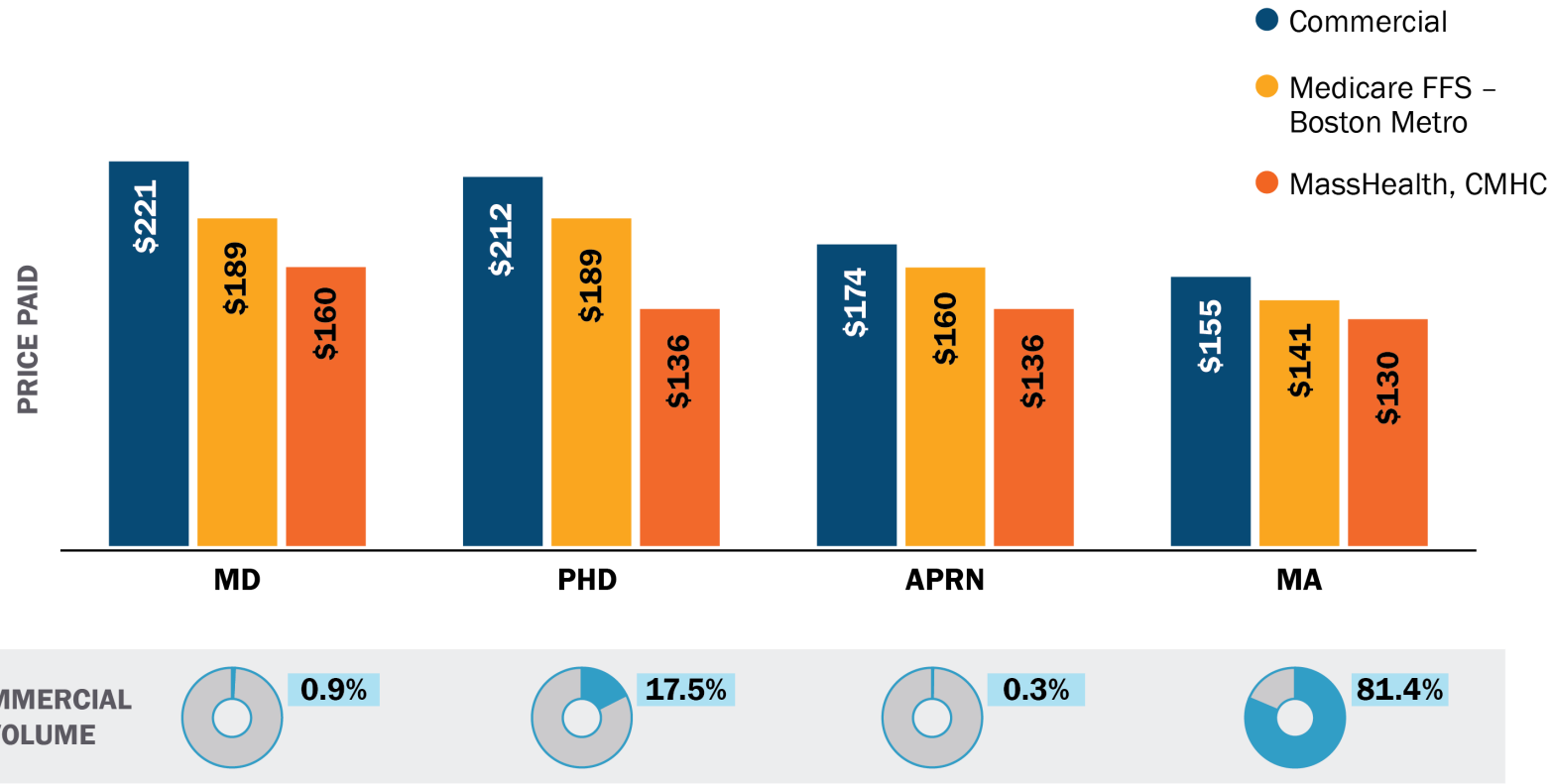
Commercial payers paid the highest prices for CPT 90837 visits at every level of clinician, approximately **105%-124% the price paid by Medicare FFS.**

Commercial insurance paid MAs the least for CPT 90837 at $130 per visit, or about 66% of MD price. MassHealth paid MAs 93% of the MD price.

MassHealth paid PhD and master's-level clinicians the same rate for CPT 90837 visits while commercial and Medicare paid more for PhD-level providers. This was a **policy change by MassHealth in 2023 to increase the payment for some BH services**.

Differences in rates between MDs and MAs were greatest among commercial insurers.

Average allowed amounts for in-network, psychiatric evaluations visits (CPT 90791) for adults by provider type and payer, 2023



1. Rhode Island Social and Human Service Programs Review

Notes: Common procedure codes for psychiatric evaluations without medical services (90791). Commercial insurers rates for MA, APRN, PhD, and MD providers based on provider modifiers and taxonomy. All incident to billing claims were excluded. MassHealth provided HPC with 2023 MA, APRN, PHD, and MD rates for services provided in community mental health centers (CMHCs). For Medicare rates, HPC used the Boston-Metro region, non-facility payments under the 2023 physician FFS schedule. Medicare rates were calculated as follows: MA=75% of MD, APRN=85% of MD, and PHD=100% of MD.

Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023; MassHealth Community Mental Health Center Fee Schedule, 2023; and Medicare CY2023 Physician Fee Schedule.

About **81% of adult, non-medical psychiatric evaluations (CPT 90791) were provided by master's-level clinicians** (MAs), and another 18% were provided by doctoral-level psychologists (PhDs). Less than 2% of CPT 90791 visits were provided by MDs and advance practice nurses (APRNs).

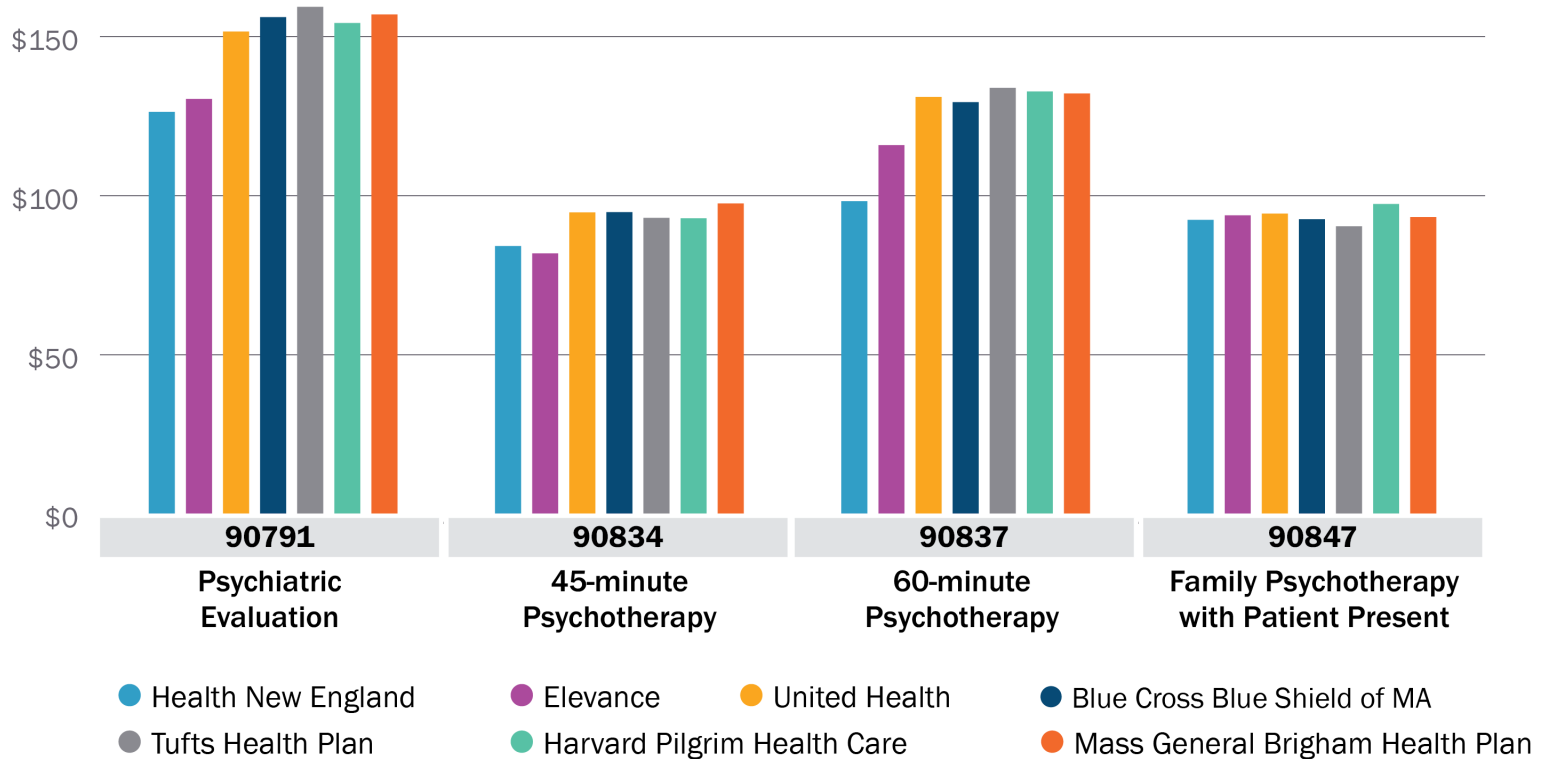
Massachusetts commercial payers paid the highest prices for CPT 90791 for every level of clinician, at approximately **108%-117% the price paid by Medicare FFS**.

Commercial insurance paid MAs the least for CPT 90791 at $155 per visit, or about 70% of MD price. MassHealth paid MAs 81% of the MD price.

Compared to Rhode Island (RI) Medicaid, MassHealth paid slightly more for CPT 90791 provided by MDs ($160 for MassHealth compared to $150 RI Medicaid-data not shown). However, RI paid similarly to Massachusetts for licensed clinical social workers (LICSWs) and other master's-level clinicians ($130 in Massachusetts and $132 in RI).[1]

Most commercial payers paid similar rates for family psychotherapy services while there was greater variation by payer for psychiatric evaluations and individual psychotherapy.

Average commercial in-network allowed amounts for adult, in-person services provided by master's-level clinicians by payer, 2023



BHWC investigated **price differences between payers for adult, in-person, in-network services provided by master's-level clinicians**.

Price differences between payers was high for psychiatric evaluations (CPT 90791) and 60-minute psychotherapy (CPT 90837).

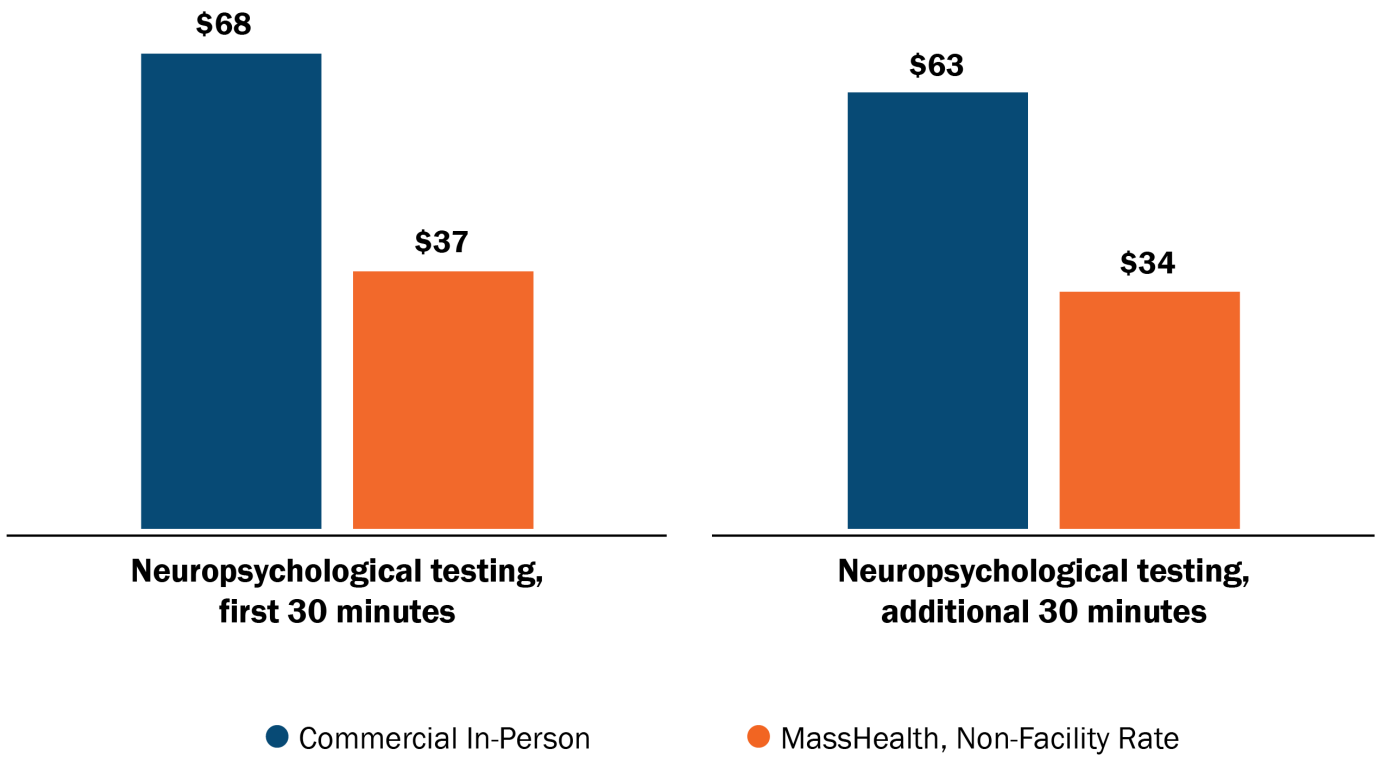
Differences between payers was smaller for family psychotherapy (CPT 90847) and 45-minute psychotherapy (CPT 90834).

BHWC was unable to explore whether the networks used by commercial payers were substantively different but will be exploring the role of networks in future work.

Notes: Common procedure codes for psychiatric evaluations without medical services (90791), 60-minute psychotherapy (90837), 45-minute psychotherapy (90834), and family psychotherapy with the patient present (90847). Commercial insurers rates for MA providers based on provider modifiers and taxonomy. All incident to billing claims were excluded.
Source: BHWC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

MassHealth paid for children's neuropsychological testing at 54% of the commercial rate.

Average allowed amounts for in-network, in-person, neuropsychological testing (CPT 96136, 96137) for children by payer, 2023



1. Cleveland Clinic. Neuropsychological Testing and Assessment
2. Association for Behavioral Health Care. Kids Are Waiting: Children's Behavioral Health Services Crisis And Collapse. Issue Brief. December 2023
3. Icahn School of Medicine at Mount Sinai. Neuropsychological Testing and Evaluation. 2026.
4. Henry Ford Health. Your Child's Neuropsychological Evaluation. 2026

Notes: Common procedure codes for neuropsychological testing, first 30 minutes (CPT 96136); neuropsychological testing, additional 30 minutes (CPT 96137). Commercial insurers rates not specific to provider type. All incident to billing claims were excluded. MassHealth provided HPC with 2023 non-facility rates for these services which can be rendered by multiple provider types at the same rate.

Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023 and MassHealth Non-Facility Fee Schedule, 2023.

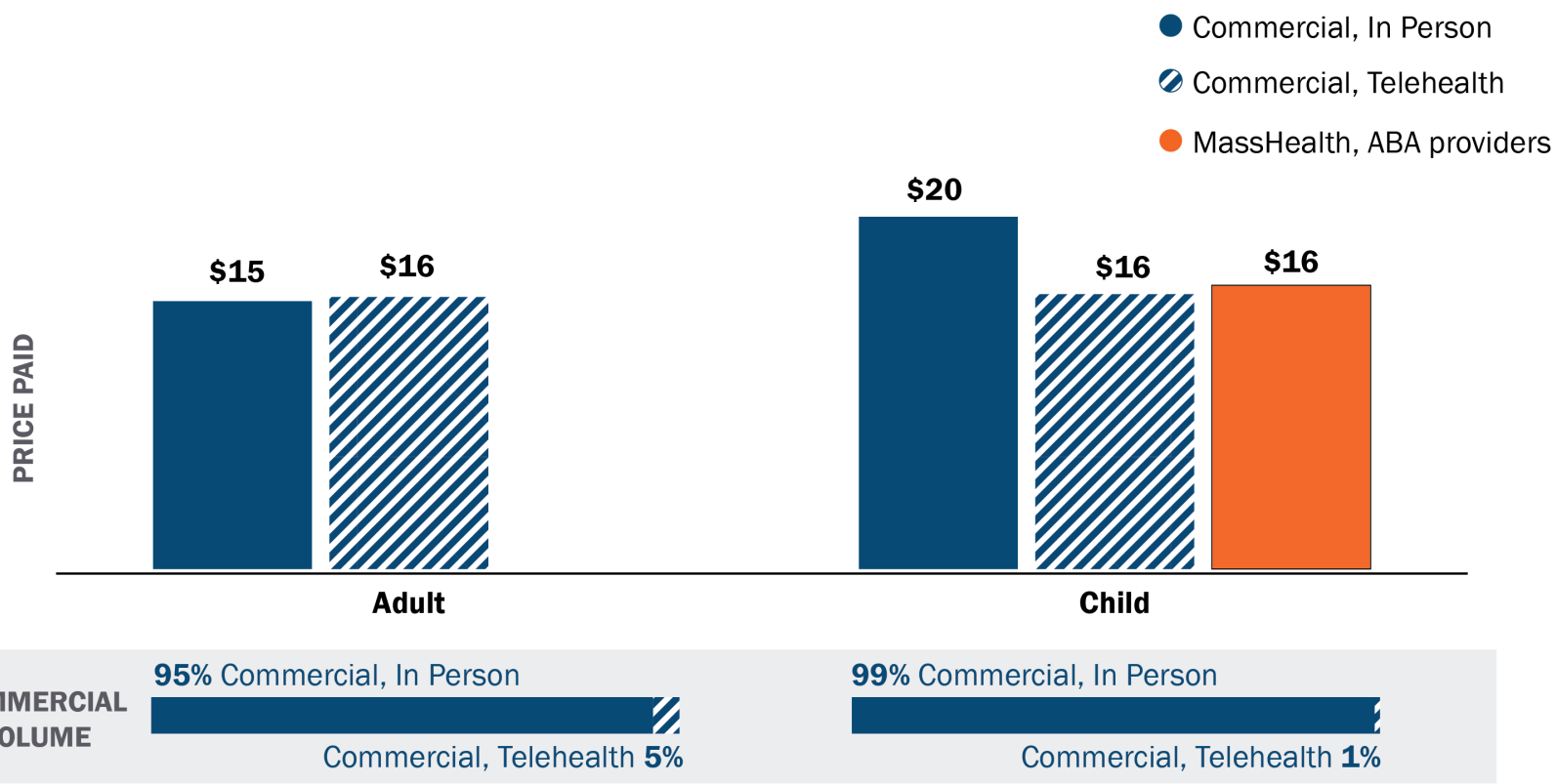
Neuropsychological testing is one component of a neuropsychological exam ("neuropsych"), the diagnosis process for a suspected neurodevelopmental disability or behavioral condition.[1] A neuropsych includes testing, provider analysis, a feedback session, and formal treatment plan. **Wait times for a neuropsych in Massachusetts have been estimated to be 2 to 8 months**, depending on multiple factors including insurance networks, geography, and the ability of the family to pay out-of-pocket.[2]

Doctoral-level clinicians and technicians perform most **neuropsychological testing.** Testing can take up to 8 hours to perform.[3,4]

Commercial payers reimbursed children's in-network, office-based neurological testing at an average of $68 for the first 30 minutes (CPT 96136) and $63 for each additional 30 minutes (CPT 96137). MassHealth paid children's neurological testing at $37 for the first 30 minutes, and $34 for each additional 30 minutes.

MassHealth paid for children's applied behavioral analysis at 81% of the commercial rate.

Average in-network allowed amounts for adaptive behavioral treatment (CPT 97153) by client age group and payer, 2023



Applied behavioral analysis (ABA) therapy is a commonly billed service for children (ages 0-18) and adults (ages 19 and older). While generally provided through in-person visits, usually in home settings, ABA therapy can also be provided via telehealth.

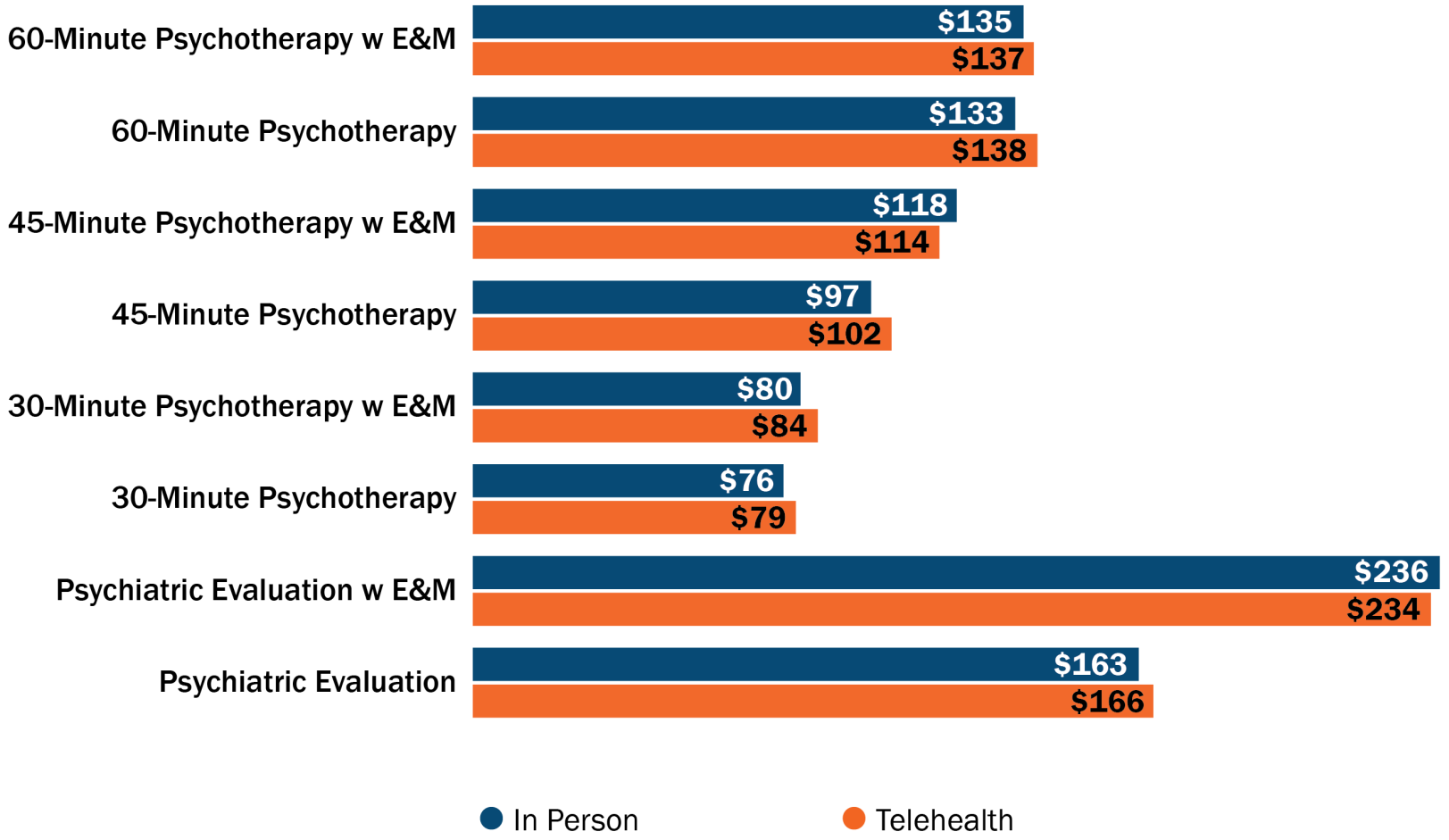
Among commercial clients, in-person 15-minute adaptive behavioral therapy by protocol (CPT 91753) was most common (95% of adult visits, 99% of child visits). Less than 5% of adult CPT 91753 visits and 1% of child CPT 91753 visits were through telehealth.

Adaptive behavioral therapy for children was reimbursed by commercial payers at $20 per 15-minute in-person visit, or $80 per hour. **MassHealth reimbursement to ABA providers for child CPT 91753 was 80% of the commercial in-person rate and 100% of the commercial telehealth rate.**

Notes: Common procedure codes for adaptive behavioral treatment (91753). Commercial insurers rates not specific to provider type. All incident to billing claims were excluded. MassHealth provided HPC with 2023 rates specific to ABA providers. MassHealth did not provide rates for adults who received ABA.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023 and MassHealth ABA Providers Schedule, 2023.

Commercial rates paid for common, adult mental health services were similar regardless of office or telehealth setting.

Average commercial allowed amounts for in-network visits for adults by setting, 2023

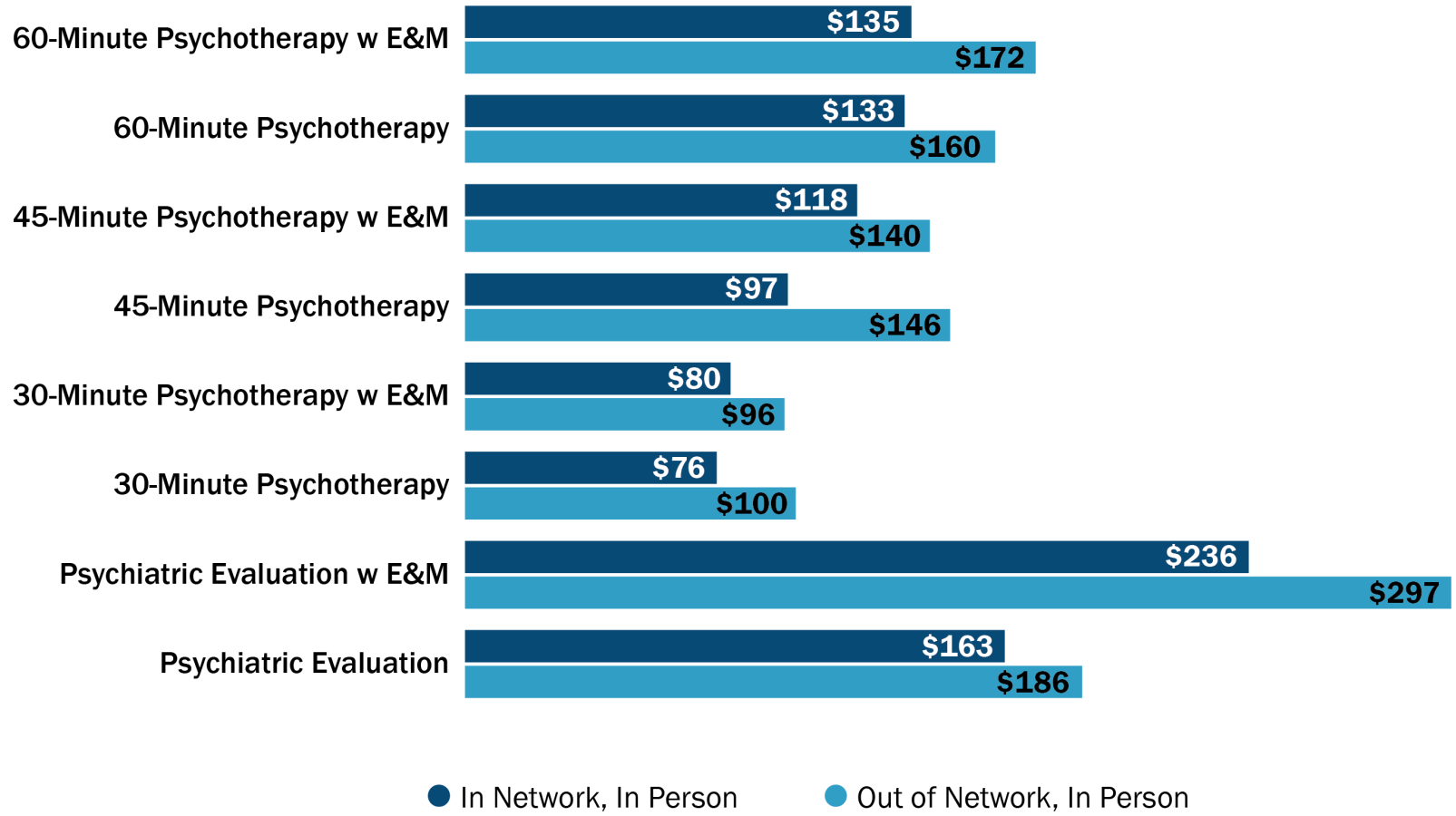


For most psychotherapy and psychiatric evaluation procedures the BHWC examined that can be provided in-person or via telehealth, **the commercial rates paid for adult services were similar regardless of setting**.

Notes: Common procedure codes for psychiatric evaluations (90791, 90792), individual psychotherapy (90832, 90833, 90834, 90836, 90837, 90838). Commercial insurers rates not specific to provider type. All incident to billing claims were excluded.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

Payments for common psychiatric services for adults were higher for out-of-network versus in-network.

Average commercial allowed amount of common psychiatric services used by adults by network status, 2023



1. Zhu JM, et al. Insurance acceptance and cash pay rates for psychotherapy in the US. *Health Aff Sch*. 2024;2(9):qxae110.
Notes: Common procedure codes for psychiatric evaluations (90791, 90792), individual psychotherapy (90832, 90833, 90834, 90836, 90837, 90838). Commercial insurers rates not specific to provider type or setting. All incident to billing claims were excluded.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

Commercial and public insurers create provider networks where in consumers are directed to an "in-network" provider, and the in-network provider offers services at lower rates, relative to out-of-network providers, in exchange for service volume. Some providers and provider groups choose to not accept insurance or only accept a small number of commercial insurance plans. Providers report avoiding insurer networks due to a mix of administrative complexity and inadequacy of in-network rates.[1]

For the services appearing on this slide, **about 15% of adult, in-person visits paid for by commercial insurance were out-of-network.** Consumers successfully filed claims for these services and the commercial insurer reported an allowed amount. HPC did not analyze how much of the allowed amount was paid by the insurer and how much was paid by the consumer.

For these services, commercial insurers paid out-of-network providers 114%-150% more than in-network providers in 2023.

This report does not include rates for cash-pay services paid entirely by the consumer (i.e., no insurer payment).

- Overview of Behavioral Health Care in Massachusetts
- Rates Paid For Office/Telehealth Services In 2023
- **UP NEXT: RATES PAID FOR FACILITY SERVICES IN 2023**
- Differences Between Behavioral Health Care Rates and Other Medical Services
- Conclusions
- Recommendations and Next Steps
- Data Sources, Methods, and Acknowledgements

The BHWC explored differences in rates for facility-based behavioral health care by payer, setting, and network status.

- For this study, BHWC defined facility services as BH care provided in facilities including treatments that are more intensive than services delivered in office visits. Care delivery consists of either single treatment visits across multiple days, or multiple, multi-hour visits that may span months. These treatments are often multi-modal, meaning that multiple BH interventions are used.
- In this section, BHWC explores a few illustrative facility-based services:
  - 24-hour levels of care: **inpatient BH admissions**, acute and sub-acute **detoxification**, hospital psychiatric and non-hospital chemical dependency **residential treatment**.
  - Less than 24-hour levels of care: intensive and standard partial hospitalization programs (**PHP**), and psychiatric and substance use disorder intensive outpatient programs (**IOP**).
- For facility-based services, HPC focused on differences in per-diem payments derived from commercial claims by setting. BHWC **examined per-diem payments separately for adults and children by setting** but did not differentiate between diagnosis codes or groups.

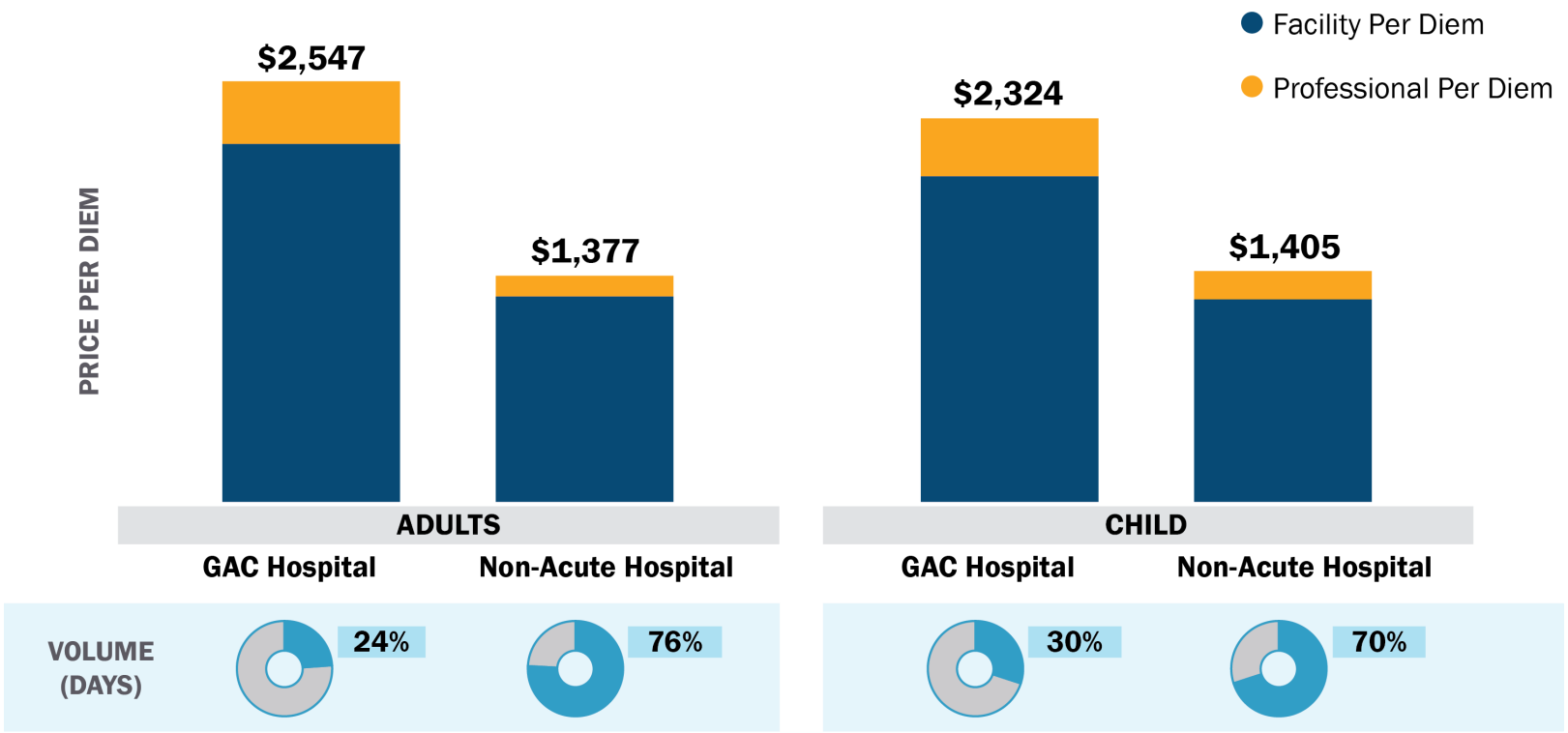
Payments for behavioral health services differ by facility type.

- HPC examined four types of facilities that billed for facility payments (using revenue codes) in commercial claims data.
  - **General Acute Care Hospitals (GAC):** Hospitals for which most inpatient admissions were medical-surgical, pediatric, obstetric/maternity and/or psychiatric beds.
  - **Non-acute Care Hospitals:** Non-acute care hospitals such as freestanding psychiatric, rehabilitation, and other specialty hospitals.
    - **BH Hospitals,** a subset of non-acute hospitals, consists of free-standing psychiatric hospitals and other hospitals that primarily provide inpatient SUD care.
    - **Free-standing Psychiatric Hospitals,** a subset of non-acute hospitals identified by the Center for Health Information and Analysis (CHIA), primarily provide psychiatric inpatient care.
  - **Substance Use Disorder (SUD) facilities:** SUD facilities are a Bureau of Substance Addiction Services (BSAS) licensed facility that is not a hospital.
  - **Other BH specialty facility (not shown):** Any facility that did not fall into the above categories but offers intensive BH services such as eating disorder clinics. BHWC is still investigating the differences between these facility types and will be exploring further differences by the ownership of the facility, and whether they have registered as a MassHealth provider.

Notes: For methods on facility identification and a list of facilities by category, please see Technical Appendix.

Most commercial behavioral health inpatient days took place at non-acute hospitals (76% for adults and 70% for children), but received lower payment rates than GAC hospitals.

Average commercial allowed amount per diem for inpatient behavioral health stay by hospital type, 2023



For commercial members, GAC hospitals accounted for 24% of adult and 30% of child inpatient psychiatric days in 2023.

Commercial payers paid GAC hospitals an average of $2,547 per adult inpatient day. Non-acute hospitals that had commercial adult inpatient stays were paid $1,377 per day (54% of GAC rate).

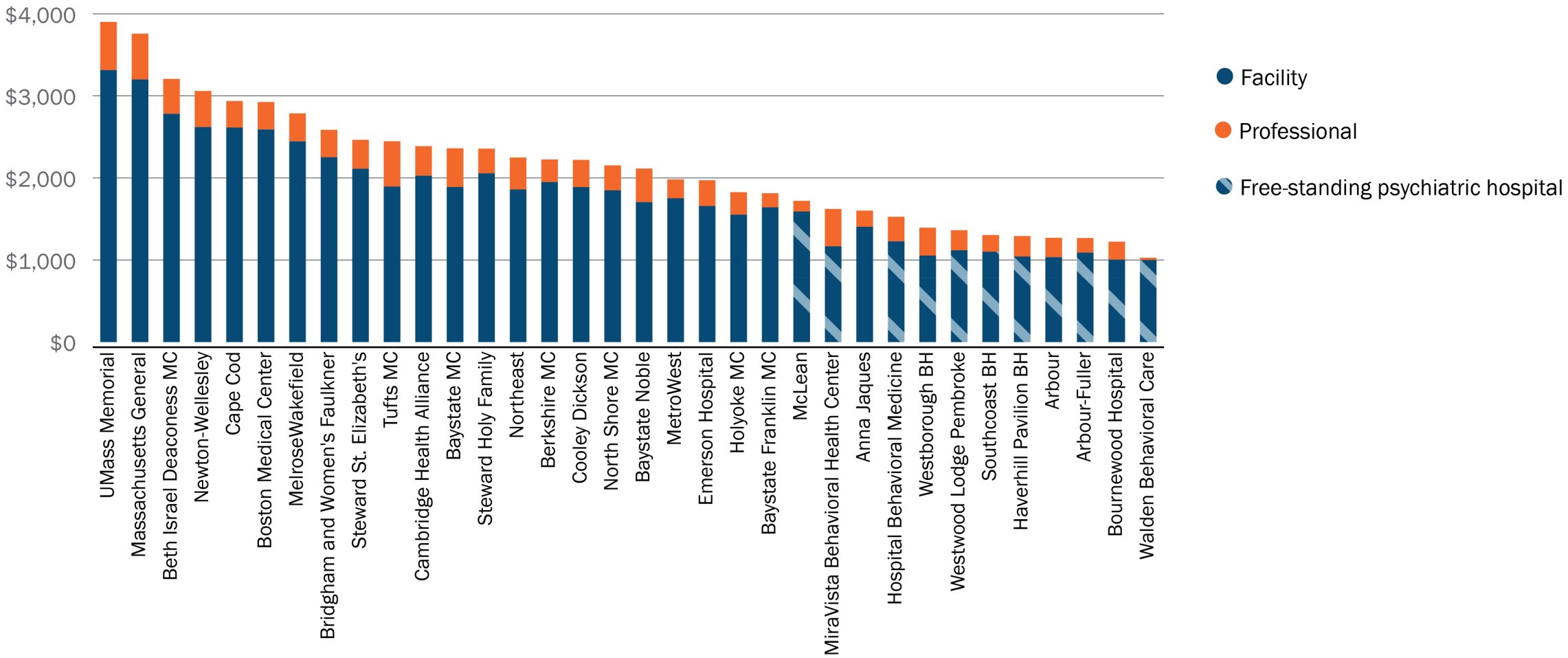
HPC did not analyze MassHealth inpatient behavioral admission rates. MassHealth pays GACs and non-acute hospitals per-diem rates for BH stays.[1] MassHealth offers several incentive payments for inpatient stays including, but not limited to, admission incentives, payments for harder to place patients, and supplemental payments based on a facility's overall discharges. In response to the pandemic, MassHealth raised the fee-for-service base rate for inpatient psychiatric stays to $955 per diem in October 2021, and that base rate remained through 2025.[2,3]

1. MassHealth. Payment for In-State Acute Hospital Services. Effective January 27, 2021
2. MassHealth. Psychiatric Inpatient Hospital/Unit Rates (Per Diem) reported as of December 2023.
3. MassHealth. MassHealth: Payment for In-State Acute Hospital Services. Effective October 1, 2025.

Notes: Per-diem commercial rates determined using facility and procedure claims that occurred during a BH inpatient stay and the length of that stay. Hospitals grouped into general acute care hospitals (GACs) or non-acute hospitals which included freestanding BH hospitals and other facilities. Please see technical appendix for details.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

In general, average commercial payment rates for adult inpatient admissions were lower in free-standing psychiatric hospitals than GAC hospitals.

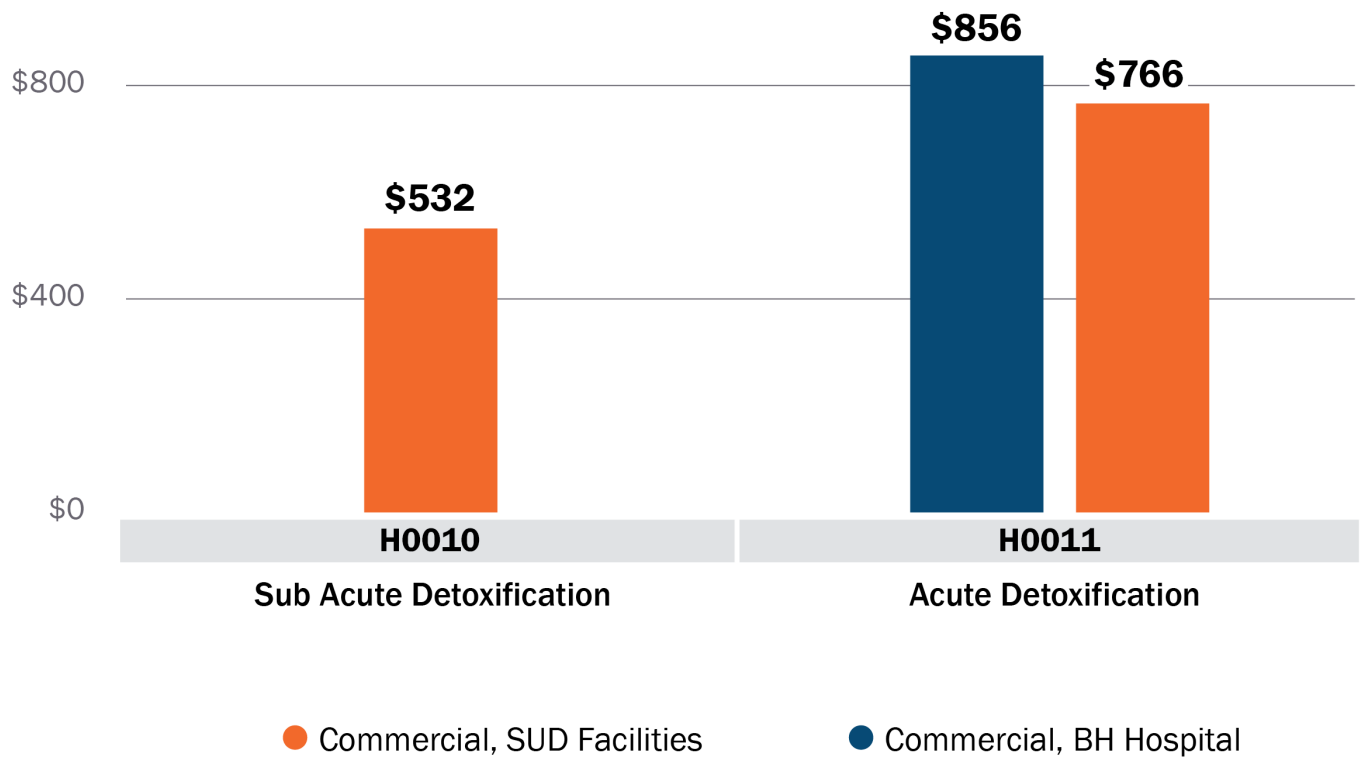
Average commercial allowed amount per diem for adult BH inpatient stays in GAC and free-standing psychiatric hospitals, 2023



Notes: Per-diem commercial rates determined using facility and procedure claims that occurred during a BH inpatient stay and the length of that stay. Analysis limited to GACs and free-standing psychiatric hospitals, as defined by CHIA. Free-standing psychiatric hospitals are a subset of all BH hospitals that HPC analyzed. Please see technical appendix for details.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

On average, behavioral health hospitals were paid more than SUD facilities for acute detoxification.

Average commercial allowed amounts per diem for adult detoxification treatment by facility type, 2023



Detoxification services involve 24-hour observation and treatment while a patient has substances removed from their body (withdrawal).[1] Sub-acute detox (HCPCS H0010) may be appropriate when patients are in good health and use less harmful substances. Acute detoxification (HCPCS H0011) is for patients at higher risk of mortality and morbidities and requires medical monitoring.

SUD facilities provided more than 86% of detoxification days for commercial members.

Commercial insurance paid BH hospitals more than SUD facilities for acute detoxification.

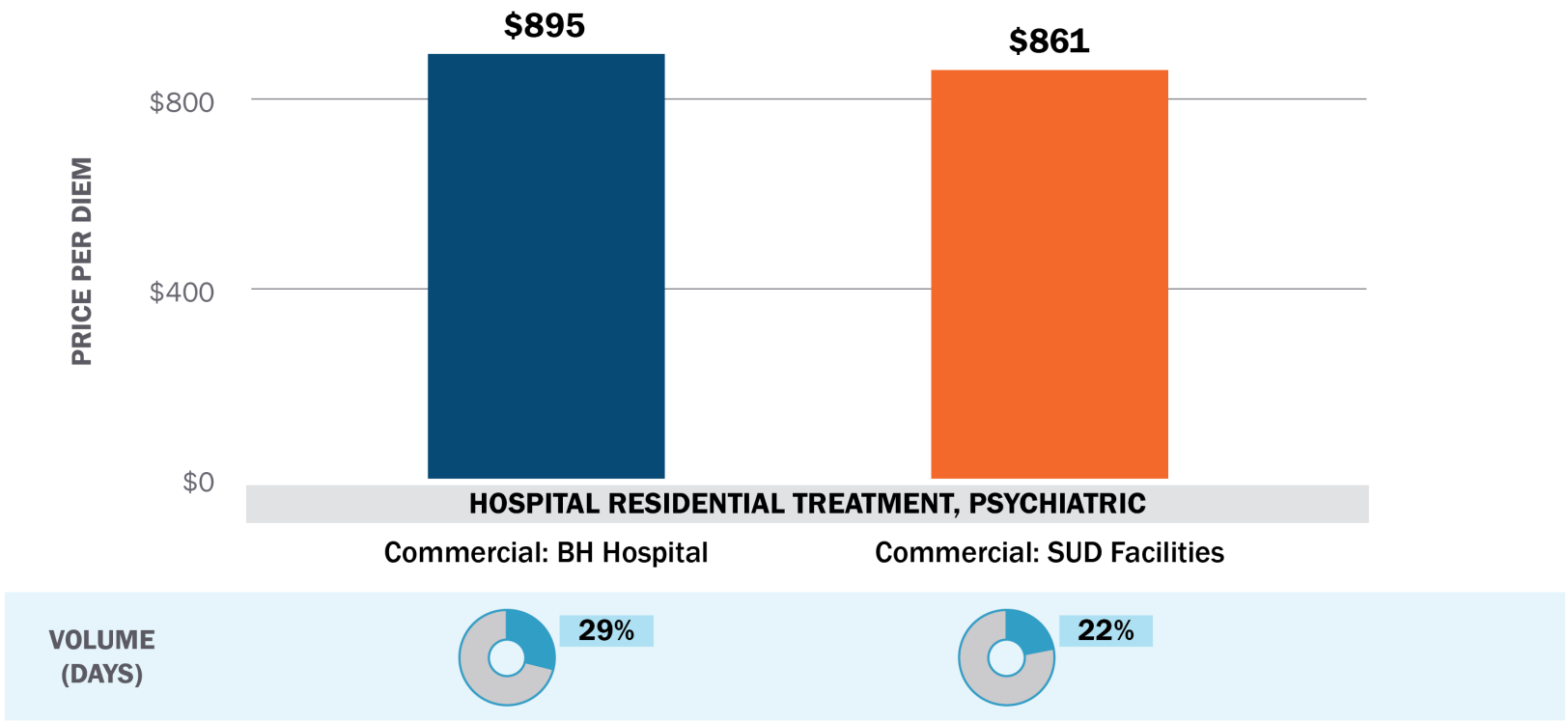
1. McLean Hospital. Detoxing From Drugs or Alcohol: A Guide to the First Step in Recovery. Last accessed March 2026.

Notes: Per-diem commercial rates determined using revenue and procedure codes (RevCode 1002 and HCPCS H0010, H0011). Facility types grouped into general acute care (GAC) hospitals, behavioral health hospitals (BH hospitals) and identification of facility specialty as SUD through the percentage of claims (SUD facilities). All other facilities which include eating disorder centers, rehabilitation centers, are categorized as "Other BH Facilities" Please see technical appendix for details.

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

On average, behavioral health hospitals received similar payments as SUD facilities for mental health treatment in hospital residential programs.

Average commercial allowed amounts per diem for adult residential treatment by facility type, 2023



Residential treatment programs are BH therapies provided in a live-in healthcare facility. Residential treatment can be "non-hospital" (short term, less than 30 days) or "hospital" (long term, 30+ days).

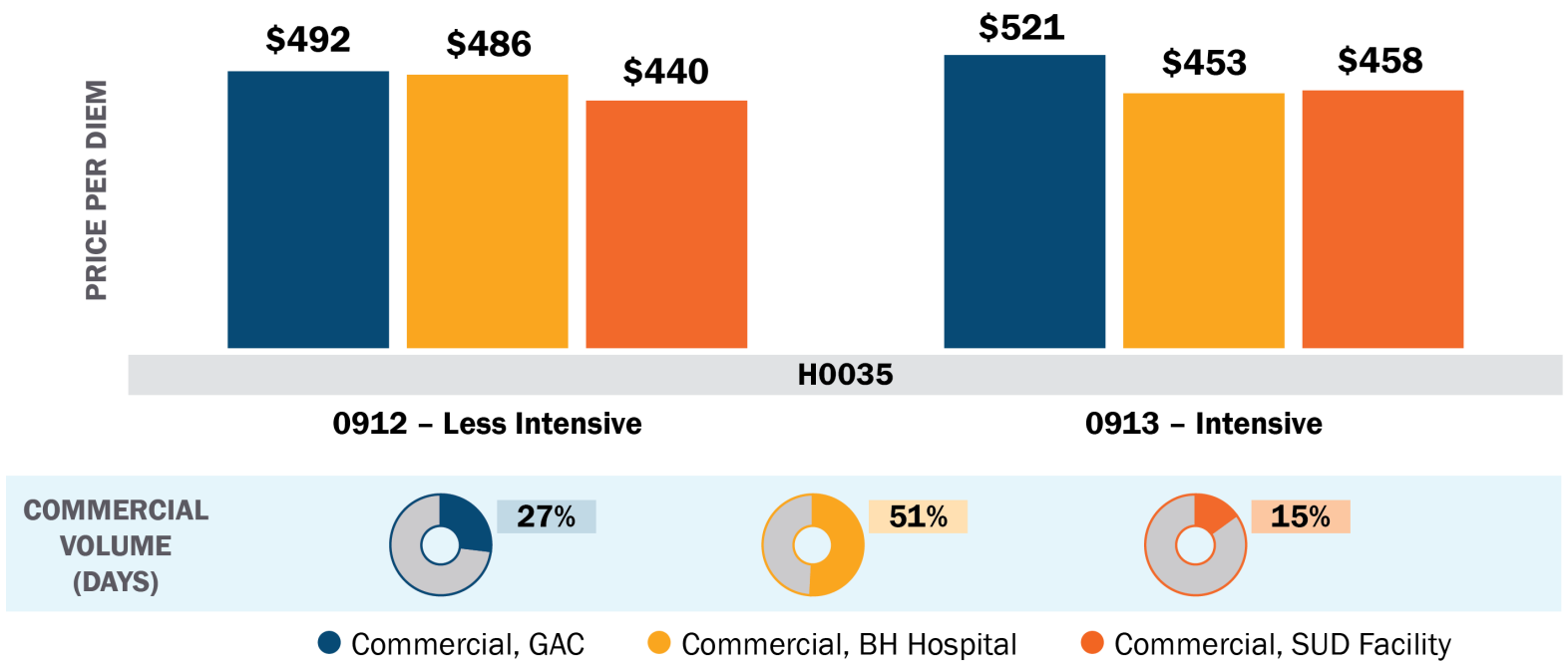
On average, commercial insurers paid SUD facilities at 96% of the rate paid to BH hospitals for residential psychiatric programs (Revenue Code 1001, HCPCS H0017). SUD facilities provided 82% of the non-hospital chemical dependency program days (data not shown).

Other BH specialty facilities, such as wellness centers, accounted for 49% of hospital psychiatric residential program days and 18% of non-hospital residential days for chemical dependency (data not shown). BHWC will be exploring these other BH specialty facilities in future work.

Notes: Per-diem commercial rates determined using revenue and procedure codes (RevCode 1001 and HCPCS H0017). Facility types grouped into general acute care (GAC) hospitals, behavioral health hospitals (BH hospitals) and identification of facility specialty as SUD through the percentage of claims (SUD facilities). All other facilities which include eating disorder centers, rehabilitation centers, are categorized as "Other BH Facilities" Please see technical appendix for details.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023

Commercial payers reimbursed GAC hospitals more on average than behavioral health hospitals or SUD hospitals for partial hospitalization programs.

Average commercial allowed amounts per diem for in-network, in-person, adult PHP visits by facility, 2023



Partial Hospitalization (PHP) is an intensive, day treatment program intended either as a "step-down" from inpatient hospitalization or a "step-up" from residential or intensive outpatient treatment. PHP programs, on average, run for 5 to 7 hours per day for 5 days per week. PHP programs can be in-person or through telehealth.

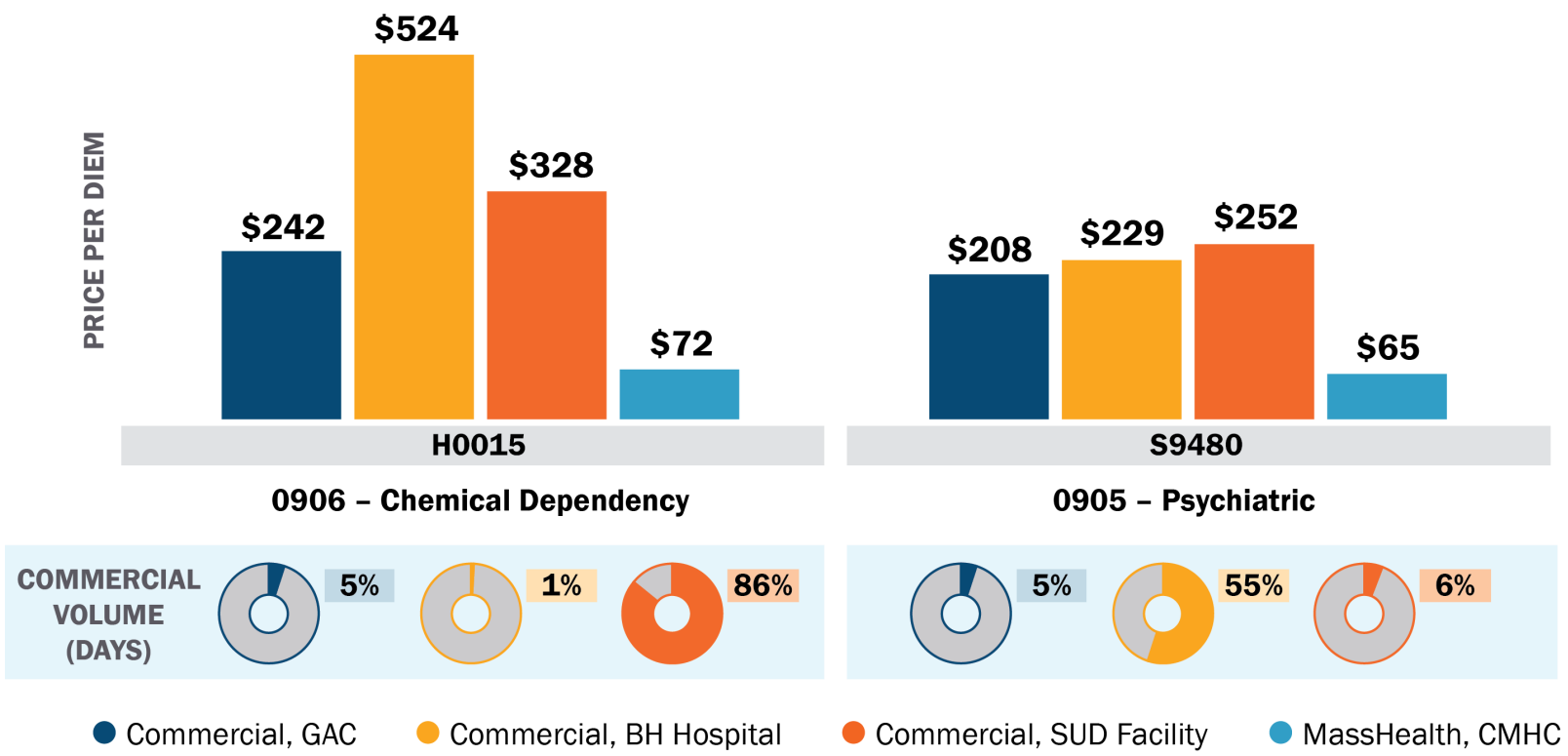
GAC hospitals received higher average per diem payments for PHP than BH hospitals and SUD facilities. Rate differences were greatest for intensive PHP (Revenue code 0913, HCPCS H0035), where GAC hospitals received $68 more per day than BH hospitals.

Facilities also can bill PHP under a temporary S-code (S0201), S0201 accounted for 13% of in-person PHP days. About 91% of S0201 days were billed by SUD facilities (data not shown).

Notes: Per-diem commercial rates determined using revenue and procedure codes (RevCode 0912, 0913 and HCPCS H0035, S0201). Facility types grouped into general acute care (GAC) hospitals, behavioral health hospitals (BH hospitals) and identification of facility specialty as SUD through the percentage of claims (SUD facilities). All other facilities which include eating disorder centers, rehabilitation centers, are categorized as "Other BH Facilities" Please see technical appendix for details.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

Rates for chemical dependency intensive outpatient (IOP) treatment were consistently higher than for psychiatric IOP.

Allowed amounts per diem for in-network, in-person, adult IOP visits by facility and payer, 2023



Notes: Per-diem commercial rates determined using revenue and procedure codes (RevCode 0905, 0906 and HCPCS H0015, S9480). MassHealth provided rates for H0015, S9480 per unit of service. Facility types grouped into general acute care (GAC) hospitals, behavioral health hospitals (BH hospitals) and identification of facility specialty as SUD through the percentage of claims (SUD facilities). All other facilities which include eating disorder centers, rehabilitation centers, are categorized as "Other BH Facilities" Please see technical appendix for details.
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023; and MassHealth Community Mental Health Center Fee Schedule, 2023.

Intensive outpatient treatment (IOP) is an intensive, day treatment program intended either as a "step-down" from inpatient hospitalization or partial hospitalization, or a "step-up" from office-based services. **IOP programs, on average run for 2-3 hours per day for up to 3 days per week.** IOP programs can be in-person or through telehealth. The programs address psychiatric concerns and/or SUD concerns.

SUD facilities accounted for 86% of in-person chemical dependency IOP visits (Revenue code 0906, HCPCS H0015) and were paid at 63% of the rate as BH hospitals.

BH hospitals accounted for 55% of in-person psychiatric IOP stays (Revenue code 0905, HCPCS S9480) but were paid at 91% of the rate of SUD facilities.

For psychiatric IOP, MassHealth paid $65 per diem, or 28% of the commercial rate to BH hospitals. For SUD IOP, MassHealth paid $72 per unit of service (3 hrs., or 1 "day"), or 14% of the BH rate. For enhanced SUD services (E-SOAP), MassHealth billed per unit at $114 or 22% the commercial rate to BH hospitals (data not shown).

MASSACHUSETTS
HEALTH POLICY COMMISSION

- Overview of Behavioral Health Care in Massachusetts
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This report is only the start of the BHWC's work on rate adequacy.

- This report should be considered foundational, rather than conclusive. For this study, the BHWC explored adequacy by:
  - Exploring prior HPC work, the work of the Medicare Payment Advisory Commission, and Massachusetts regulations governing social services to explore rate adequacy,[1,2,3,4,5,6]
  - Examining the relative commercial prices for individual psychotherapy compared to common specialty and primary care services, using claims only from physicians in office-based settings,
  - Investigating price growth for psychotherapy compared to other health care prices and inflation.
- One consideration of adequacy that BHWC did not explore is the cost of providing a service.
  - During interviews, some stakeholders reported that BH units were perceived as cost centers, rather than revenue generating. Other stakeholders felt that health care organizations and systems were more supportive of medical units and providers than BH units or BH providers.
- In future reports, the BHWC will continue to explore adequacy of rates, workforce wages, and access to care through insurance as well as out-of-pocket spending by consumers to inform policy recommendations.

1. HPC. Health Care Workforce Trends and Challenges in the Era of COVID-19: Current Outlook and Policy Considerations for Massachusetts. 2023.
2. Tadmon D, Gao YN. Factors Associated With Psychotherapist and Psychiatrist Participation in Public Insurance: Evidence From Georgia State. *Med Care*. 2025;63(2):117-122.
3. The Medicare Payment Advisory Commission. Chapter 2: Assessing payment adequacy and updating payments in fee-for-service Medicare.
4. Overview of Chapter 257 of the Acts of 2008. | Mass.gov
5. Session Law - Acts of 2008 Chapter 257
6. General Law - Part I, Title XVII, Chapter 118E, Section 13C

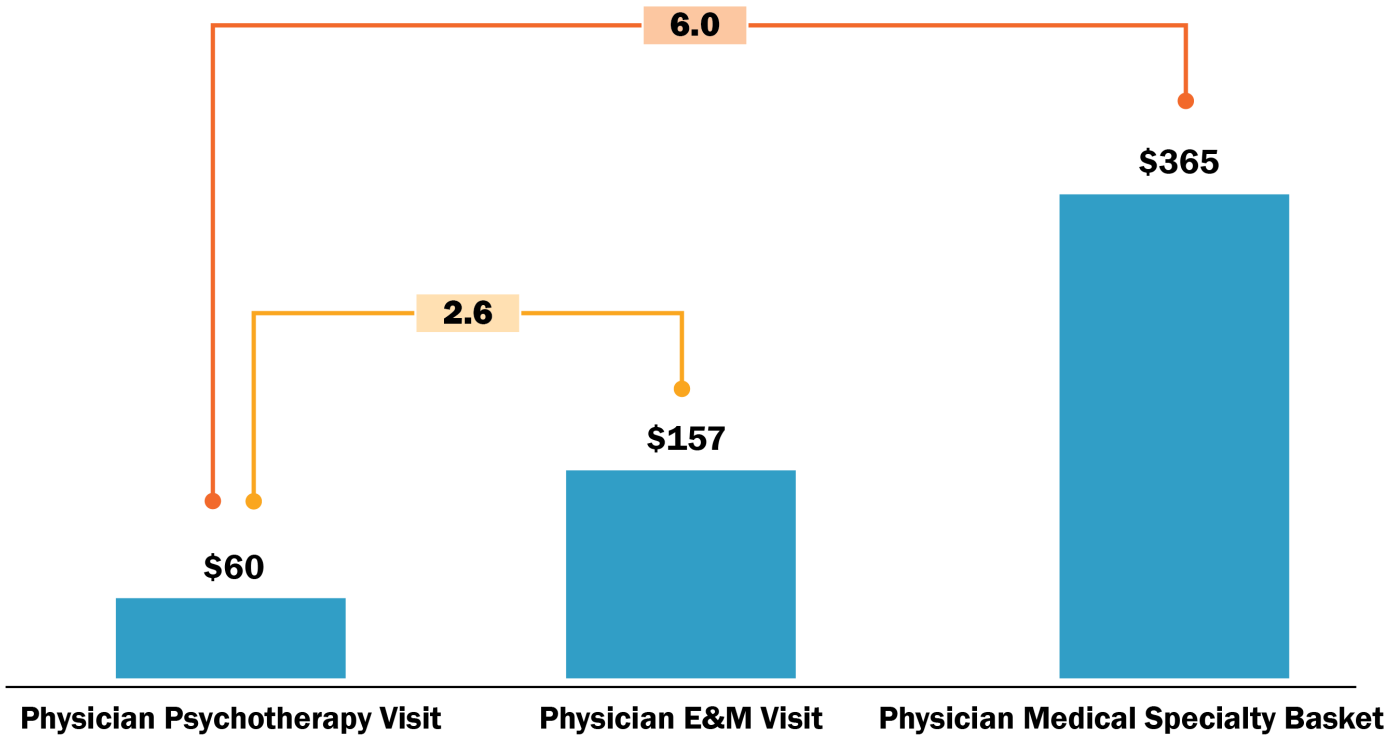
Prior work from the HPC and other sources have included economic and service measures in their payment rate analyses.

- Some states (including Massachusetts) and the federal government include economic measures such as cost of living, wages, and cash-pay rates, and service measures such as quality and access in their Medicaid and Medicare rate setting.
- In 2023, the Council for Community and Economic Research reported the cost of living in the Boston Metro Area was 1.46 times higher than the national average in 2023.[1]
- BHWC found that wages for the BH therapist workforce tend to be lower than the wages for other workforces with similar education requirements. Based on wage data, the median hourly earnings of a nurse practitioner in Massachusetts was $66.53 in 2023, compared to the median hourly earnings of clinical or counseling psychologist, which was $47.68.[2] Both provider types generally require a master's or PhD for licensing.
- Currently, there is limited data on cash-payment rates for BH services in the Commonwealth. A recent national study found the average national cash-payment rate for individual psychotherapy was more than $143 for a 45-minute session (CPT 90834), and the average cash-payment rate in Massachusetts was more than $150 for a 45-minute visit. [3] The BHWC found the average commercial rate paid for in-person, in-network 45-minute psychotherapy for adults to be $97 in 2023.
- For this study, the BHWC did not investigate access to services. However, CHIA analysis suggests that in 2023, about 10% of Massachusetts residents were unable to access needed BH care, in part due to provider shortages.[4]

1. Council for Community and Economic Research. Cost of Living Index.
2. Lightcast , 2026.
3. Zhu JM, et al. Insurance acceptance and cash pay rates for psychotherapy in the US. *Health Aff Sch*. 2024;2(9):qxae110.
4. CHIA. Findings from the 2023 Massachusetts Health Insurance Survey: Behavioral Health.

Commercial payers paid rates 6.0 times higher to physicians for 30 minutes of comparable, office-based specialty services as the rate paid to physicians for 30 minutes of behavioral health care.

Adjusted allowed amounts per 30 minutes of **work time for physicians, by visit type, commercial insurance, 2023**



BHWC **compared the relative commercial prices for BH services to common, comparable specialty and primary care services, using claims *only from physicians* in office-based settings** to better understand and quantify these payment disparities. The services on this slide are all low-resource intensity services. For this reason, estimates of specialty prices are somewhat different than what was reported in the 2025 Cost Trends reports.

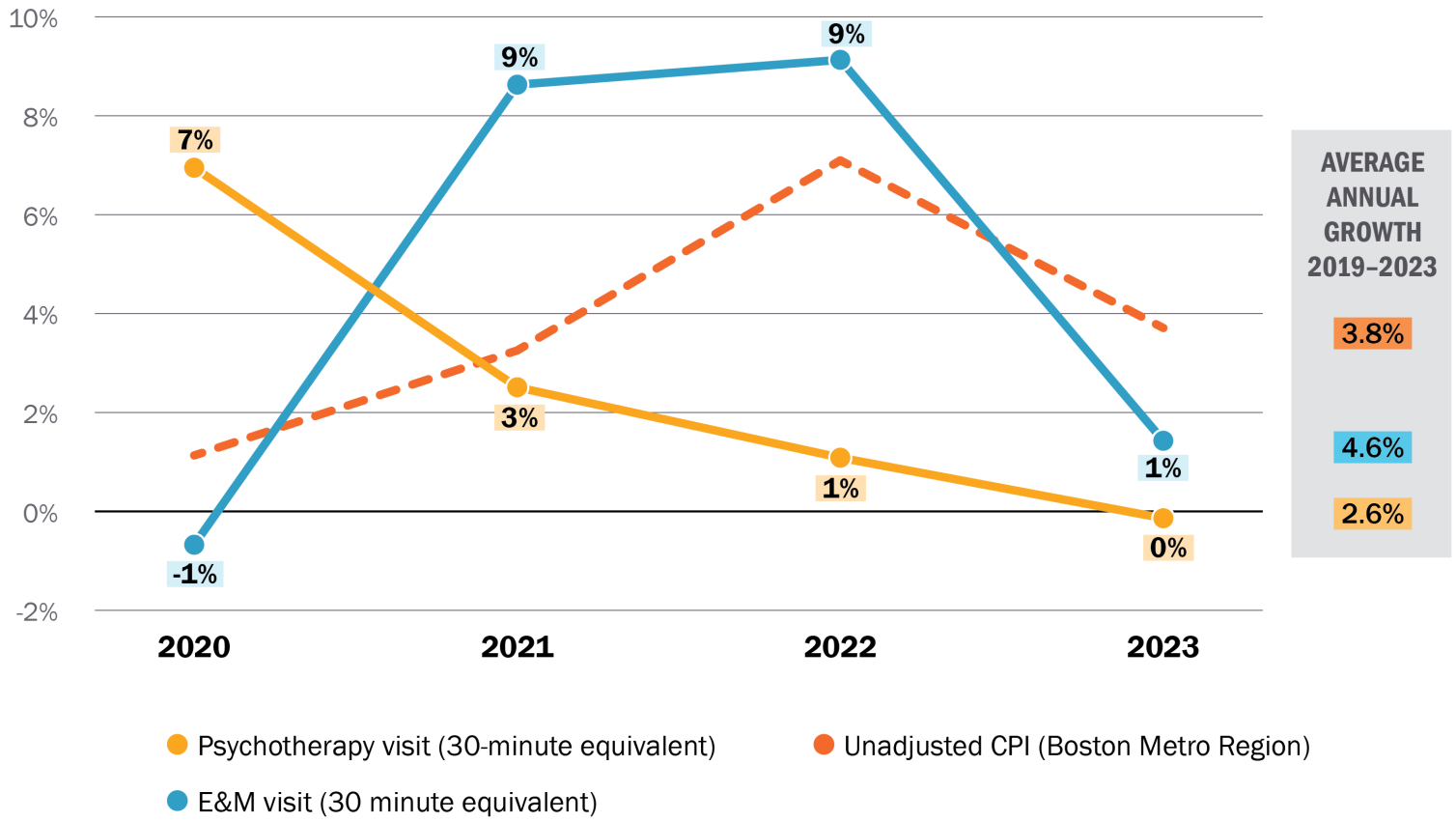
For the same work time (30 minutes), the average commercial payment to **physicians in office-based settings** for a composite of **specialty services was 6 times higher than the average payment for psychotherapy**.

The average payment to a **physician for an E&M visit was 2.6 times as high as the average payment for psychotherapy**.

Notes: E&M = evaluation & management visit. "E&M visit" reflects average allowed amount for a 20-minute E&M visit with an established patient (CPT 99213) (30 minutes of work). "Psychotherapy visit" reflects average allowed amount for a 60-minute psychotherapy visit (CPT 90837) (75 minutes of work). "Specialty basket" reflects average of average prices paid for select specialty procedures performed in an ambulatory setting (30 minutes of work).
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023.

Between 2019-2023, commercial price growth for 60-minute psychotherapy visits lagged primary care E&M price growth and inflation.

Trends in commercial insurance adjusted allowed amounts per 30 minutes of work time for physicians by visit type and the consumer price index (2019-2023)



Notes: E&M = evaluation & management visit. "E&M visit" reflects average allowed amount for a 20-minute E&M visit with an established patient (CPT 99213) (30 minutes of work). "Psychotherapy visit" reflects average allowed amount for a 60-minute psychotherapy visit (CPT 90837) (75 minutes of work). CPI data downloaded from the Bureau of Labor Statistics, Consumer Price Index-U for the Boston Metro Region (2019-2023).
Source: HPC analysis of Center for Health Information and Analysis (CHIA) All Payers Claims Database v2023 and Bureau of Labor Statistics, Consumer Price Index-U, Boston Metro Region (2019-2023).

HPC examined 5-year price growth for two services: a 60-minute psychotherapy visit (CPT 90837) and a 20-minute E&M Visit in primary care. BHWC estimated the average rate paid to physicians for these services and compared their growth over the last 5 years to changes in the consumer price index (CPI).

The average price for 30 minutes of psychotherapy grew at a slower rate than the price for 30 minutes of primary care or specialty work. The physician rate for 60-minute psychotherapy visits grew by 10.7% between 2019-2023, or by 2.6% per year. The physician rate for primary care for E&M visits grew by 19.4% between 2019-2023, or by 4.6% per year. Analysis of the physician rate for a basket of medical specialty services with similar care intensity to psychotherapy grew at about 4.8% per year (data not shown).

Over the same 5 years, the consumer price index for the Boston-Metro area grew by 16%, or at 3.8% per year.

- Overview of Behavioral Health Care in Massachusetts
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- Rates Paid for Facility Services in 2023
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- **UP NEXT: CONCLUSIONS**
- Recommendations and Next Steps
- Data Sources, Methods, and Acknowledgements

Commercial payments to master's-level clinicians were sometimes similar to public payments, but commercial payments to physicians were considerably higher than public payments.

- **BHWC found differences in commercial rates by network status and setting.**
  - For common psychiatric services used by adults, commercial insurer payments to out-of-network providers were higher than payments to in-network providers.
  - Average commercial payments per diem for inpatient BH admissions and PHP visits were lower for non-acute hospitals than GACs.
  - Average commercial payments to BH hospitals and SUD facilities differed for some acute detoxification and IOP services.
- **Differences in the rates paid between provider types for common office-based BH services were greatest among commercial payers.**
  - Independently licensed master's-level clinicians, such as social workers and licensed mental health counselors, are trained specifically to deliver high quality psychotherapy and psychiatric evaluations. Yet, for most office-based services, physicians are paid the highest rate by commercial and public payers.
  - For non-medical psychiatric evaluations and 60-minute psychotherapy, commercial payers reimbursed master's-level clinicians at 66%-70% the rate of physicians. In contrast, MassHealth paid master's-level clinicians at 81%-93% the rate of physicians.
- **As a result, commercial payers sometimes paid master's-level clinicians similarly to rates paid by public payers.**
  - Non-physician rates for office-based services, such as those for 60-minute psychotherapy, were sometimes equivalent between MassHealth and commercial payers.

Behavioral health is paid less than other health care services, and more investment is warranted to stabilize the behavioral health care delivery system.

- **Commercial reimbursement to physicians performing BH services was lower than reimbursement to physicians performing other health care services in 2023.**
  - Physicians were reimbursed 2.6 and 6.0 times more for E&M and office-based medical specialty visits than for psychotherapy visits for an equivalent amount of time.
  - This lower reimbursement for physicians performing BH is mirrored in the wage data. Comparison of earnings between advance practice registered nurses (a medical non-physician) and clinical or counseling psychologists (a BH non-physician) found APRNs earned 1.4 times more per hour than psychologists in 2023.
- **Commercial rates for psychotherapy grew slower than inflation between 2019-2023.**
  - Price growth for 60-minute psychotherapy lagged both the Consumer Price Index (CPI) and the commercial price growth for primary care and medical specialties services.
  - BHWC did not investigate price growth for all BH services or for public payers.
- **Recent MassHealth investments in the BH system reflect ongoing concerns about the availability of services.**
  - In 2023, MassHealth paid close to commercial rates for master's-level clinicians in Community Mental Health Centers (CMHCs). MassHealth CMHC rates were also as high as Medicare rates for some services.
  - MassHealth also initiated a tiering system for payments in 2023 as part of the state-wide launch of Community Behavioral Health Centers (CBHCs) and to continue shifting the care delivery system towards greater integration of BH services.
  - BHWC will continue to work with MassHealth and report back on how MassHealth reimbursements changed in 2024, and how the rates compared to Medicare and Commercial payers for inpatient, outpatient, and office-based services.

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Key Takeaways and Policy Context

- **Reimbursement rates for the most highly utilized BH service, psychotherapy, have grown more slowly than inflation in the Commonwealth.** As demand for services continues to rise, changes in BH reimbursement are needed to more accurately reflect inflation, provider operational expenses, and Massachusetts' high cost of living.
- BHWC's analysis of 2023 BH rates found that **master's-level providers delivered the majority of non-medical psychotherapy and psychiatric evaluation services yet often received the lowest reimbursement for those services**.
- For individuals experiencing BH symptoms, **use of BH services, especially evidence-based services, has been associated with better health outcomes and lower spending per capita**.[1] Timely access to effective BH care is needed to avoid unnecessary emergency room visits, hospitalizations, and to promote the best possible outcomes for Massachusetts residents.
- Reimbursement reform will likely strengthen the ability of provider organizations to maintain adequate staffing and continue delivering equitable, timely, high-quality services in the most appropriate, lowest-cost settings. **Increased, targeted investments in BH care delivery and the BH workforce should not result in increased growth in overall health care expenditure trends or increased health insurance premiums and cost-sharing.** BHWC's recommendations aim to shift existing health care dollars towards BH care delivery, which will help increase and sustain workforce capacity to deliver needed services and improve equitable access to care across the Commonwealth.

1. Hawrilenko M, Smolka C, Ward E, et al. Return on Investment of Enhanced Behavioral Health Services. JAMA. Feb 5, 2025.

Recommendations: Provider Payments

Reduce payment differentials.

- **Commercial payers should consider adjusting per diem payment rates for inpatient psychiatric admissions to close the gap between GAC and non-acute behavioral health hospitals by increasing rates for non-acute behavioral health hospital admissions.** Payment rates for all inpatient psychiatric admissions should also be adjusted for acuity and medical complexity. For commercially insured members, most behavioral-health-related inpatient days took place at a non-acute hospital (76% for adults and 70% for children). Despite accounting for most of the volume by days, average per diem commercial payments for inpatient behavioral health admissions were lower for non-acute hospitals. Reducing the differences in payment rates between settings is necessary to improve and sustain the Commonwealth's capacity to meet rising demand for BH services and to further reduce patient boarding and discharge delays across the care continuum. The Legislature should also consider increasing investments in facility-based step-down down care and other lower-cost community-based care settings.

- **The Legislature should consider establishing limits on commercial payment differentials**, ensuring master's-level providers are paid 90-100% of the rate paid to doctoral-level providers for the non-medical office and telehealth BH services analyzed in this report. The BHWC found that among commercial payers, master's-level BH providers are reimbursed, on average, at less than 75% of the physician rate for a given service, despite being the largest share of the BH workforce. Recent state efforts to invest in Medicaid providers by raising BH reimbursement for master's-level clinicians resulted in MassHealth rates for 60-minute psychotherapy being 93% of MassHealth's physician rate, which should be matched or exceeded by commercial payers. A targeted investment in this sector of the workforce is a critical strategy for increasing capacity in lower-cost care settings and increasing the availability of in-network BH clinicians for the commercially insured.

Recommendations: Sustainable Payments

Establish minimum payment levels and assess behavioral health price growth.

- **The Legislature should consider establishing minimum payment levels** for commercial payers, equivalent to 150% of the Medicare rate for office and telehealth BH services covered by Medicare, or 150% of the Medicaid rate for office and telehealth BH services not covered by Medicare. This recommendation adopts and expands a policy first enacted in Washington state. Starting in January 2027, Washington will require the reimbursement for in-network primary care and non-facility BH services to be at least 150% percent of the Medicare rate for the state's employee health insurance plan.[1, 2]
- **CHIA, in partnership with the HPC and DOI, should assess commercial behavioral health rate methodologies annually** and recommend adjustments as needed to ensure rates are aligned with reasonable and known cost increases.

1. Murray RC, et al. Hospital Payment Caps Could Save State Employee Health Plans Millions While Keeping Hospital Operating Margins Healthy. *Health Aff (Millwood)*. 2024;43(12):1680-1688.
2. Revised Code of Washington (RCW) Statutes RCW 41.05.028.

Recommendations: MassHealth Payments

Strengthen state investment into MassHealth behavioral health services.

- **The Legislature should consider targeted financial investments to strengthen and sustain MassHealth's efforts to increase reimbursement for behavioral health providers** to ensure that the goals of the *Roadmap for Behavioral Health Reform* are achieved.[1]
- **The Executive Office of Health and Human Services (EOHHS) should consider authorizing MassHealth to implement annual behavioral health rate increases** in alignment with reasonable and known cost increases, including cost of living and provider wages benchmarked at or above the 75th percentile from the most recently available Massachusetts data from the Bureau of Labor Statistics (BLS). BLS data lags approximately three years behind the MassHealth rate setting and implementation process. Revenue from reimbursement rates directly impacts the ability of community-based provider organizations to offer competitive compensation, relative to higher-cost settings, and therefore recruit and retain a sufficient volume of providers. This aligns with prior HPC recommendations to increase wages for behavioral health providers in lower-resourced settings, to ensure job attractiveness relative to competing opportunities.[2]
- **MassHealth should consider increasing per diem payments to behavioral health hospitals and facilities** in alignment with reasonable and known cost increases.

1. EOHHS. Roadmap for Behavioral Health Reform.
2. HPC Health Care Workforce Trends and Challenges (2023).

Recommendations: Data and Monitoring

Investigate capacity and sustainability of behavioral health markets and systems.

- **The HPC will take into consideration any behavioral health rate increases when evaluating providers and payers against the cost growth benchmark**, to ensure BH spending increases reflect both increased investments and fair payment for BH services as well as improved access and use of services.
- **The HPC will further explore cost-sharing, out-of-network payments, and cash payments** for BH services and monitor data to identify any changes to consumer costs.
- **The HPC's Office of Health Resource Planning (OHRP), in collaboration with the BHWC, will conduct an analysis of the behavioral health market and provider capacity in Massachusetts** including (1) a scan of provider types and licensure requirements, (2) differences between provider/facility types, (3) competition between providers, (4) presence of BH deserts, (5) provision of telehealth services, and (6) the emergence of new forms of BH care.

Renew BHWC funding.

- **The Legislature should consider sustained funding to support the work of the BHWC.** The BHWC will build upon this analysis of BH rates, further assess adequacy of BH rates, and report on the relationship between commercial rates, cash-pay rates, and BH workforce salaries.
- **The Legislature should direct the BHWC to convene a task force on the cost of delivering BH services across care settings.** The task force should develop recommendations for assessing whether payer rate methodologies and payment growth are aligned with reasonable and known costs, including price inflation, cost of living, and provider wage increases.

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How the BHWC Conducted the Rates Study

MANDATE

Chapter 28 of the Acts of 2023

TEAM

- Analysts
- Clinicians
- Subject Matter Experts

PARTNERS

- State Agencies
- BH Stakeholders

DATA

- Claims
- Fee Schedules
- Publications

METHODS

- Data Cleaning
- Descriptive Statistics
- Mixed Methods

Data Sources

- **Three data sources were used to create rate comparisons.** Center for Health Information and Analysis (CHIA) All-Payers Claims Databases were used to calculate commercial rates. MassHealth provided rate data for office-based procedures. The Centers for Medicare & Medicaid Services (CMS) Physician Fee Schedule was used for Medicare rates.
- **Other data sources were used to enhance BHWC's understanding of the rates.** These included: Rhode Island Social and Human Service Programs Review, 2023 Cycle Final Report and Recommendations; CHIA Hospital Profiles and Massachusetts Department of Public Health; Bureau of Substance Addiction Services licensure database; National Uniform Claim Committee's Health Care Provider Taxonomy; cost of living data from the Council for Community and Economic Research; and wage data according to Lightcast.
- BHWC performed a **literature review on academic research and state/federal reports** associated with BH rates to better understand policy issues, confirm methodological approach for services unique to BH, and as a source of information on prevalence of cash-pay.
- BHWC held **multiple stakeholder discussions** to address questions arising from the research.

Methods: Identifying Services and Deriving Rates

- This report primarily reviews rates for BH services with the highest commercial claim volumes for adults or children in 2023.
  - For office-based services, BHWC focused on assessment, treatment and maintenance care that can be performed by multiple provider types.
  - For facility-based services, BHWC focused on inpatient BH admissions, residential treatment, partial hospitalization and intensive outpatient treatment performed in multiple settings.
- **BHWC reported average rates** and made comparisons
  - For office-based codes, BHWC compared commercial to MassHealth to Medicare rates for different provider types. For a subset of office-based services BHWC explored rate differences between commercial payers, between office and telehealth settings, and between in-network and out-of-network providers.
  - For facility-based services, BHWC focused on differences in commercial per diem payments by setting. For a subset of facility-based services, commercial rates were also compared to MassHealth.
- BHWC also **compared the average price and price growth for psychotherapy to other medical services and economic indicators**.

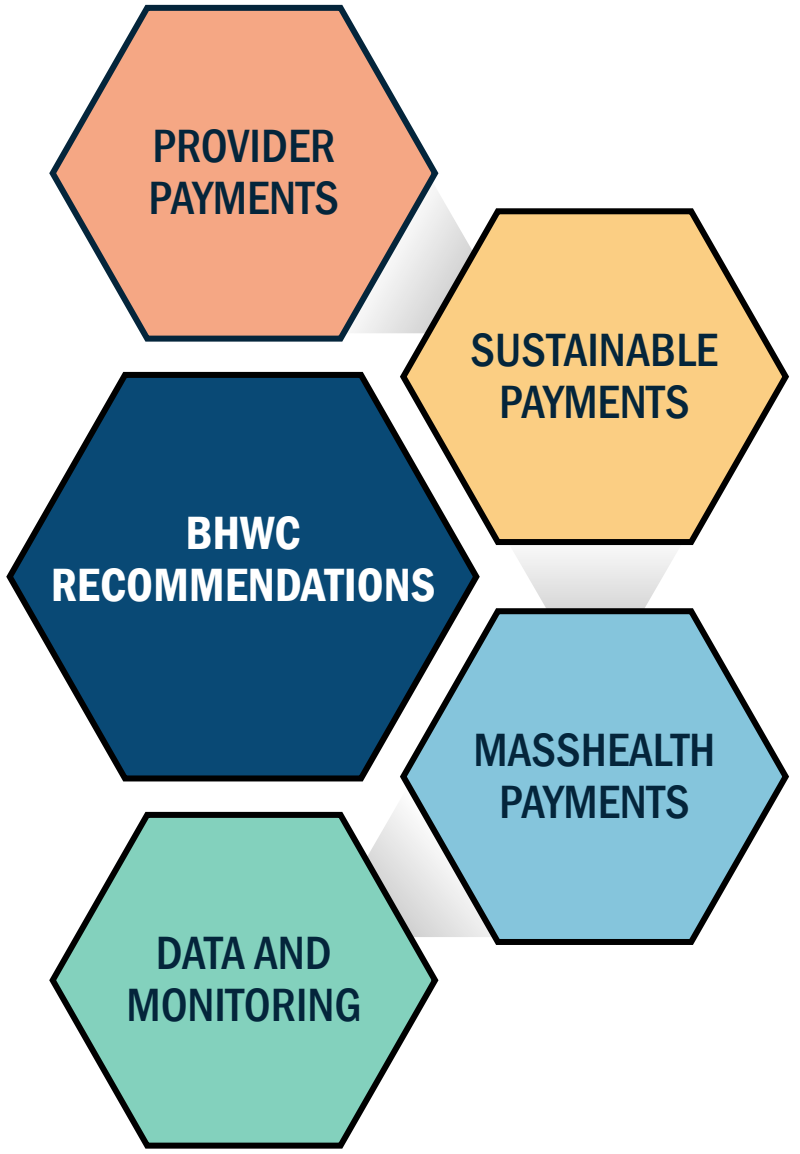
About the HPC Behavioral Health Workforce Center

- The **HPC Behavioral Health Workforce Center (BHWC)** was established in partnership with the Massachusetts Executive Office of Health and Human Services (EOHHS) to strengthen the state's capacity to identify and respond to current and ongoing behavioral health workforce needs.
- The BHWC will **drive state-wide efforts** and **leverage cross-sector partnerships** to achieve a unified vision for the Commonwealth's BH workforce.
- Through development of **actionable, evidence-based strategies**, the BHWC will prepare state leaders to:
  - Build equitable education and training pipelines,
  - Improve workforce diversity and cultural competency,
  - Enhance professional pathways, and
  - Retain behavioral health providers within settings and communities that are accessible to all residents.

BHWC's rate study is the first of several legislatively mandated studies to help inform policy recommendations to support the BH workforce.

Future and ongoing work of the BHWC will continue to focus on:

- Developing **actionable, data-informed policy recommendations** for executive agencies and the Massachusetts legislature
  - Addressing rate differences, methodology, and adequacy across BH services and provider types
  - Strategies to increase workforce compensation and sustainability
- **Convening key stakeholders**, including payers, organizational leadership, and providers
  - Building knowledge of rates and rate setting processes
  - Hearing and incorporating feedback from representatives of the BH workforce
- **Completing a CY2024 BH rates report**
  - Further exploration of rates by facility licensure
  - Reporting on emerging technologies and services
  - Tracking changes in commercial rates and utilization
  - Decomposing spending



Acknowledgements

The Massachusetts Health Policy Commission (HPC), established in 2012, is an independent state agency working to improve the affordability of health in the Commonwealth. Through data-driven analysis, actionable policy insights, public accountability, and innovative investments, the HPC seeks to improve health care delivery, lower costs, and reduce health disparities. The HPC is committed to better health and better care – at a lower cost – for all residents of the Commonwealth. For more information, visit masshpc.gov.

Under the direction of Amy Doyle, Director of the HPC's Behavioral Health Workforce Center, HPC staff Carolina Herrera, Katya Fonkych, and Laura Nasuti conducted analyses and prepared this report. Matt Pecoraro, Katy Kowalsky, Amanda Katchmar, Jaylen Clarke, David Auerbach, Ph.D., and Lois Johnson significantly contributed to the report's production. The report was designed by Ashley Johnston and Rebecca Willmer.

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Behavioral Health Workforce Center Advisory Group

The BHWC Advisory Group, comprised of **providers, patient representatives, industry experts, policymakers, and community advocates**, contributed subject matter expertise and real-world experience throughout the research process.

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