

## **Phase-Out of Discriminatory Mental Health Co-Pay**

The Medicare Improvements for Patients and Providers Act of 2008 (MIPPA), mandated the elimination of the discriminatory copayment rates for outpatient psychiatric treatment under Medicare.

While Medicare has reimbursed for all other outpatient medical services at 80 percent, with the patient responsible for the other 20, outpatient mental health treatment had only been reimbursed at 50 percent. (Psychiatric evaluations and inpatient psychiatric care have always been paid at the 80 percent rate).

The correction is being phased in gradually, and for 2010 and 2011 the rate has increased to 55 percent, with the patient now responsible for a 45 percent copay. In 2012, the reimbursement rate will be 60 percent; in 2013 it will be 65 percent; and, finally, in 2014, it will be the full 80 percent.

It is important to understand that the change in copay will not affect how much money the treating psychiatrist is reimbursed—that is determined by the Medicare fee schedule. It will, however, bring some financial relief to those psychiatrists who are unable to collect copays from their patients or who see patients who have both Medicare and Medicaid for whom, in some states the copay goes unreimbursed. It will also permit Medicare beneficiaries to receive psychiatric care under the same copayment system that covers their other health care, and this will hopefully encourage more individuals to seek the psychiatric care they need.