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TO: All KPA Members and Psychologists in the State
FROM: Sheila A. Schuster, Ph.D., Executive Director
DATE: March 28, 1994
RE: Wrap-up of 1994 General Assembly

The three priorities set by KPA for this session of the General Assembly were the inclusion of psychologists and psychological services in the Health Care Reform, passage of Freedom-of-Choice legislation to include all psychologists in reimbursement for psychological services in indemnity insurance plans, and protection of psychology practice from other groups seeking recognition through licensure or certification.

The **HEALTH CARE REFORM** effort met with mixed results: Because the wording of HB250 included language which references providers "required to be licensed" and "independently practicing", we were restricted in the amending language which we submitted to "psychologists licensed or certified for independent practice". The Legislative Research Commission staff ruled that psychologists who were "certified" did not fit the statutory language and placed the language as "psychologists licensed under KRS 319". This amendment was filed in the House and was successfully amended to the bill as it passed out of the House and went to the Senate. We were not reinstated in the Provider Tax at that time! We were also successful in amending HB250 to include a description of inpatient and outpatient mental health and chemical dependency services under the description of services to be covered.

The Senate stripped all amendments from HB250 when it began its deliberations. We again prepared the amendment relating to psychologists as providers, as well as the amendment to put mental health services into the bill. Because of internal politics within the Senate linked to gaining enough votes to pass the Health Care Reform legislation, neither of these amendments were offered on the floor of the Senate. There was, however, an amendment offered by Sen. Walter Blevins which would force the managed care entities to include "any willing provider" who met the terms and conditions of the health care benefit plan as a provider within that plan. This amendment has passed and is now a part of HB250 as it was passed by the Senate. The significance of this amendment is that any qualified and "willing" provider cannot be discriminated against in providing services under Health Care Reform benefit plans!

The fate of the Health Care Reform legislation is still up in the air as I prepare this memo: if the House concurs with the Senate changes, then HB250 will go to the Governor for his signature. The bad news is that psychologists and mental health services are not specifically recognized in the legislation; the good news is, that once we qualify as providers, we are eligible to participate in all of the plans (whether indemnity or managed care) that are offered!

The next step is to begin working with the Health Care Authority (HCA) to gain their recognition of psychologists as "providers". I believe that we will continue to have difficulty with the statutory language regarding "licensed for independent practice", but we will attempt to craft the most inclusive definition of psychological providers that can be made acceptable to the HCA.

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HB514 - FREEDOM OF CHOICE: The main lobbying thrust for this legislation came from the Attorney General's Task Force on Child Sexual Abuse which drafted the bill; lobbying help on it was made available through the Dept. of Mental Health in the person of Carol Jordan, M.S. (a KPA member), who provided invaluable lobbying expertise and energy. KPA made every possible effort to amend the language in the bill to include all "services within the lawful scope of psychology" as the reimbursable service. In the House Banking and Insurance Committee, testimony from Blue Cross & Blue Shield in opposition to that amendment language was very effective, and the Committee Chair and members indicated that the bill would be defeated in committee if the amended language was included. I had to make a split-second decision in conjunction with the bill's sponsor to save the bill by not including the amendment or to force a vote on the amendment which would have defeated the bill. My decision was to drop the amendment in order to save the bill, although it included only licensed psychologists; the bill was then passed out of committee (with 12 yes votes; 11 were required for passage). The bill had opposition on the floor of the House but was voted out 87-6.

The key to passage in the Senate was in having the bill have a "zero fiscal impact on state funds". This was possible because the state employees are covered in various health care options which already included licensed psychologists and licensed clinical social workers as providers. Thus, mandating consumer choice for state employees would have zero impact on state costs. (This would not have been the case if certified psychologists and psychological associates had been listed in the bill; thus, making it impossible to amend the bill on the Senate side). The bill went from the Senate Banking & Insurance Committee to the Consent Calendar, where floor debate could be avoided; it passed unanimously, 38-0. We expect the Governor to sign it within the next week; as with all bills passed in this General Assembly, the effective date of the bill is July, 1994.

The next step is to work with the State Personnel office to get certified psychologists and psychological associates included as providers in the state health plans. Once this is accomplished, I believe that the Freedom of Choice law can be successfully amended in the next General Assembly - because it would then have a "zero fiscal impact" to the state and because it is easier to amend an already-existing statute than it is to pass it initially.

At a personal level, the passage of HB514 has been a bitter-sweet victory for me - sweet in that I have worked on it so hard for three legislative sessions and because so many said that it "couldn't be done" - and bitter because it includes Master's-trained social workers and not Master's-trained psychologists. I am committed to continuing the lobbying efforts toward successfully carrying out these next steps to make freedom-of-choice inclusive of all psychological providers.

LICENSURE/CERTIFICATION OF OTHER PROFESSIONS: Extensive work was done with the Marriage & Family Therapist group to make certain that their certification legislation in no way impinged on psychological practice, nor on the ability of psychologists to describe themselves as offering marriage and family therapy services. Their legislation will probably pass and become law in July. Extensive input was also given the the Counselors who were seeking licensure, and significant revision of their bill was done to remove language relating to psychological testing, making diagnoses, and providing therapy services. Even with these revisions, a number of groups and individuals continued to have concerns about their legislation, which failed to pass. The Art Therapists initially submitted a licensure bill which defined psychotherapy and diagnostic assessment as part of their practice; our input changed the legislation from licensure (practice definition) to certification (title protection only; no definition of scope of practice). Their bill will probably pass and become law in July.