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RE: SB 707 Position: SUPPORT

Dear Chair, Vice-Chair, and Members of the Committee:

The Maryland Psychological Association, (MPA), which represents over 1,000 doctoral level psychologists throughout the state, urges the Committee to provide a **favorable report on SB 707**.

Current law allows consumers with health insurance to go out of the network when the network panel cannot meet the subscriber's specific treatment needs or provide the services in a timely fashion. Unfortunately, current law does not specify the dollar amount the insurance company or the consumer is responsible for, and all too often this leads to cost-shifting by the insurance company with large co-pays for the consumer – even though the problem is that the insurance company does not have an adequate network (because of the low reimbursement rates set by the carrier which actively discourages network participation). **MPA strongly supports SB 707** because it clarifies that the consumer's financial responsibility in these specific situations would be no greater than what they would pay for an in-network therapist. We also believe that the Maryland Health Care Commission will set reasonable out-of-network rates that will fairly compensate therapists for their education, training, and expertise.

Simple economics reveals why many consumers cannot find therapists with needed skills and in a timely manner within the carrier's network. Most experienced psychologists cannot afford to belong to network panels. Insurance companies, on average, currently reimburse in-network psychologists \$85 per session (with a range of about \$70 to \$120 per session). In 1990, more than 30 years ago, the average reimbursement for psychologists per session was \$95. When you take inflation into account, \$95 in 1990 is equivalent to \$204 today. **In-network psychologists, therefore, are being asked to accept a non-negotiated rate set by the insurance company that is less than half (42%) of what they were being paid per session 30 years ago.**

SB 707 provides a reasonable remedy for consumers in these situations. SB 707 requires insurance companies to cover out-of-network therapy and substance abuse services **at no greater cost to the consumer** than they would pay to an in-network therapist when the carrier's panel does not have a therapist able to provide needed services in a timely fashion. For these and other reasons, the MPA urges you to **SUPPORT SB 707**.

Please feel free to contact MPA's Executive Director Stefanie Reeves at exec@marylandpsychology.org if we can be of assistance.

Sincerely,

Linda McGhee

Linda McGhee, Psy.D., JD

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R. Patrick Savage, Jr.

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Chair, MPA Legislative Committee

cc: Richard Bloch, Esq., Counsel for Maryland Psychological Association
Barbara Brocato & Dan Shattuck, MPA Government Affairs