Task Force on Resource Development

Minutes of Conference Call: August 3, 2005

The Challenge of Reimbursed Care in Pediatric Academic Medical Setting in Relation to the Expenses of Providing Such Care in the Context of the High Overhead of Tripartite Academic Mission: Clinical Care, Teaching and Research

One overriding issue that places departments of pediatrics and psychological services in these departments in a significant bind is the issue of unreimbursed care relative to high overhead costs. All pediatric departments and psychological divisions provide such care to varying degrees. This means that careful attention needs to be paid to departmental and divisional resource development with a range of strategies that we discussed.

1) **<u>Strategies for Resource Development: Placing Increasing Responsibility on Providers for Fee Generation</u>**
   We discussed the variation in practice plans at different sites with respect to burden on providers. One strategy that has been used at some sites is having the provider being responsible for components of salary (e.g., either through a base salary and additional supplements or more draconian "pay back" systems). Not all departments have such systems but those who do have found while money is generated, that it is difficult for faculty to participate in these systems (e.g., not surprisingly, faculty don't seem to like them!).
2) **<u>Reimbursement of Unreimbursed Care by Individual Pediatric Divisions/ Hospital Administration</u>**
   We recognized that across settings, pediatric psychologists need to provide unreimbursed care to specific populations who are in need who cannot pay and/or would not access psychological services if they did have to pay (e.g., children with cancer; children undergoing transplantation). Our pediatric colleagues may not recognize or appreciate the resource problems that are raised and, in my experience, generally want us to see all of their referred patients, irrespective of financial status. This would obviously engender catastrophic deficits if adopted as a division-wide strategy. Various settings have grappled successfully with this problem in different ways (e.g., by billing subspecialities such as pediatric surgery, by convincing hospital administrators to fund aspects of psychological services irrespective of payment that are considered to be part of the essential mission of the hospital). Successful implementation of such strategies requires supportive relationships with and advocacy from pediatric chairs, hospital administrators, and chiefs of pediatric subspecialties. It also assumes that our pediatric colleagues value and need our services for their patients which often (but not always) is the case.
3) **<u>Negotiation of Contracts for Reimbursement of Psychological Services with Individual Insurance Carriers</u>**
   Some settings have had success in negotiating favorable contracts with individual carriers as well as succeeding in convincing such carriers to fund innovations such as the Health and Behavior Procedure Codes. There was a consensus that this strategy can be successful but takes a lot of work and may be prohibitive as a single strategy, given the numbers of different carriers. Moreover, it requires a very close collaborative relationship with hospital administrative leadership, especially with those who are negotiating

contracts. Finally, the success of this strategy is highly dependent on local market share (e.g., it will be much more effective in communities where the hospital is in a position to drive the negotiations as opposed to compete with others on an equal playing field).

4) **Maximizing insurance reimbursement.**
We discussed the inconsistent success of some strategies (e.g., bundling psychological services into one fee to provide comprehensive service). There was consensus that available insurance reimbursement can be maximized by working closely with individual insurance companies and hospital-based billing groups to maximize the return on codes and procedures and to insure that whatever policy for reimbursement that is agreed upon is actually implemented. Ideally, this requires the ability to track the reimbursement by individual company for individual procedures and diagnostic codes, infrastructure (e.g., dedicated time from billing specialists who are conversant with mental health coding), and cooperative support from pediatric practices.

5) **Developing Contracts with Public and Community Agencies and Schools**
There was clear agreement that contracting with public and community agencies is a viable strategy of fund raising that has been accomplished in creative ways in a range of settings. Successful use of this strategy requires the ability to "think out of the box" away from traditional to nontraditional sources of funding for pediatric psychology service and the ability to market and promote psychological services. This can be done by giving talks to various community groups and/or developing relationships with school and agency leadership that follow on the heels of successful patient care experiences. It is also important to continue to follow-up with personal contacts and reports after contracts have been obtained to sustain them over a period of time. Some settings have used the funds from contracts to expand training programs in community settings and to develop research in community settings.

6) **Developing a Forensic Pediatric Psychology Practice**
Forensic work (e.g., neuropsychological assessment in cases of pediatric injury) is a potentially lucrative though time consuming source of revenue. Moreover, this is a highly specialized niche and not always a popular one among faculty, some of whom (for some reason) do not like working with lawyers.

7) **Developing Contracts and Funding Lines with State-Based Services**
Leaders in some settings have been successful in convincing state level administrators of programs to include components of psychological services in state level contracts. Similar to the strategies described in #5, it requires the ability to promote the service and cultivate the relationships. In some settings this has been accomplished by making use of state level technological capacities and support (e.g., cable networks, distance learning) to advertise pediatric psychology programs. Some settings have been successful in advocating for contracts with Medicaid services for early screening etc. This requires considerable advocacy, promotion, and cultivating ongoing relationships with legislators and program administrators. There was consensus that many pediatric psychology programs provide high quality services that are marketable to communities and states. However, our services may not be known or widely appreciated. Consequently, promoting and enhancing the visibility of our services and research is very important.

8) **Developing a Philanthropy Portfolio**
We noted that private philanthropy is an important growth area for many settings. Some pediatric psychology programs have been very successful in convincing individual

donors who are often grateful, parents or relatives of patients who have received pediatric psychology services of the importance of having funds to expand specific services that are regarded as personally meaningful to the donors. This requires the ability to work with hospital development staff and to be proactive in providing plans, agendas for the development of psychology through philanthropy. Moreover, as was noted, successful philanthropy also requires the ability to translate the nature and impact of pediatric psychological services and/or research in a concise and compelling manner that is sensitive to the audiences' interests (e.g., different messages will be needed depending on whether one is working with a potential donor who is a grateful parent versus the head of a corporation).

My Brief Summary and Invitation for Additional Dialogue and Suggestions for Next Steps

I was very impressed with the level of creativity (I suppose partly bred out of desperation but that's okay) in the collective strategies. Moreover, we are spending a great deal of (you guessed it) unreimbursed administrative time in implementing these strategies, which are generally a well kept secret on a national level. Success requires persistence, communication, relationship building, self and program promotion, and the ability to discuss finances and problem solve regarding financial issues. There was consensus that psychologists, including pediatric psychologists who are acculturated in a "public service" mentality, are not trained to do this. For this reason, we have to learn to accomplish this in the course of trial and error experiences "in the trenches". For this reason, there was some interest in our highlighting fund raising efforts and strategies of pediatric psychologists at the APA convention and other meetings through symposia/workshops etc.

Many of us were very interested in the training and education of pediatric psychologists concerning financial and resource development issues, not only with respect to managed care but strategies in entrepreneurship on a program level. There was agreement concerning the need to inform trainees about the importance of fiscal responsibility and fund raising earlier in their careers and to provide training in this area. Some training programs are already doing this. As one next step, it might be useful for us to share some of our teaching and training strategies. We should also plan to work closely with SPP's Task Force on access for patients to clinical services, which has completed a survey on related issues. Please let me know your thoughts about our discussion and potential next steps. I'll share our deliberations with the SPP executive committee for their input. I'll be in touch with you after APA about next steps.