

## Testimony regarding Psychologist rate increase request

We are running out of psychologists in America. There are many factors that play a role in this, the most important is that rates of reimbursement have been stagnant over the past 20 years or so, with what few improvements that have occurred not coming even close to keeping up with inflation, much less the costs of training to become a psychologist.

Why it matters.

- Psychologists have significantly greater breadth and depth of training and experience in mental health diagnosis and treatment. We are well trained in the neurological, biological, social, relational, cognitive, and behavioral sources of mental health disorders than any other mental health professionals (including psychiatrists). We literally consider the whole person in the treatment of mental health disorders.
- While this high level of training and experience is not needed for every client, it is needed for the most complex clinical presentations, which are far more likely to be accessing Medical Assistance funded services.
- While we are paid a percentage more than master's level clinicians, the rates of pay have remained stagnant in actual dollars, with no adjustments for inflation. We have requested a rate increase to no avail for the last 15 years
- From 1999-2015 the cost of a doctorate in psychology has risen 125%



Source: National Center for Education Statistics

- Average student loan debt for new psychologists ranges between \$160,000 and \$224,000. (this higher than education costs because living expenses exceed earning potential for most students) <https://www.studentloanplanner.com/average-psychologist-salary/>

- Let's look at income
  - 2001 median salary for Doctoral level clinical psychologist was \$72,000
  - 2021 median salary for Doctoral level clinical psychologist was \$82,510
    - Bureau of Labor Statistics data
  - This is a 14% increase over 20 years
  - The cumulative increase due to inflation during the same period is 53%
  - Using the Minnesota federal reserve inflation calculator the pay rate if it just matched inflation should be \$110175
  - This means that there is a shortfall in pay of \$27,665
    - This is inflation adjusted pay cut of 33% in the last 20 years.
- **So with a 1/3 reduction in pay and an approximately 130% increase in educational costs is any wonder there are fewer per capita people entering the field of clinical psychology?**
- What has happened in our state. Rate increase to special programs of 23.7% in 2007. This is not present for the vast majority of psychologists. Nothing much has happened in well over 15 years for psychologists.
- Why does this matter? Insurance companies index their pay rates off of what Medicaid pays, this is true across the country.
  - So insurance reimbursement rates have remained largely stagnant as well.