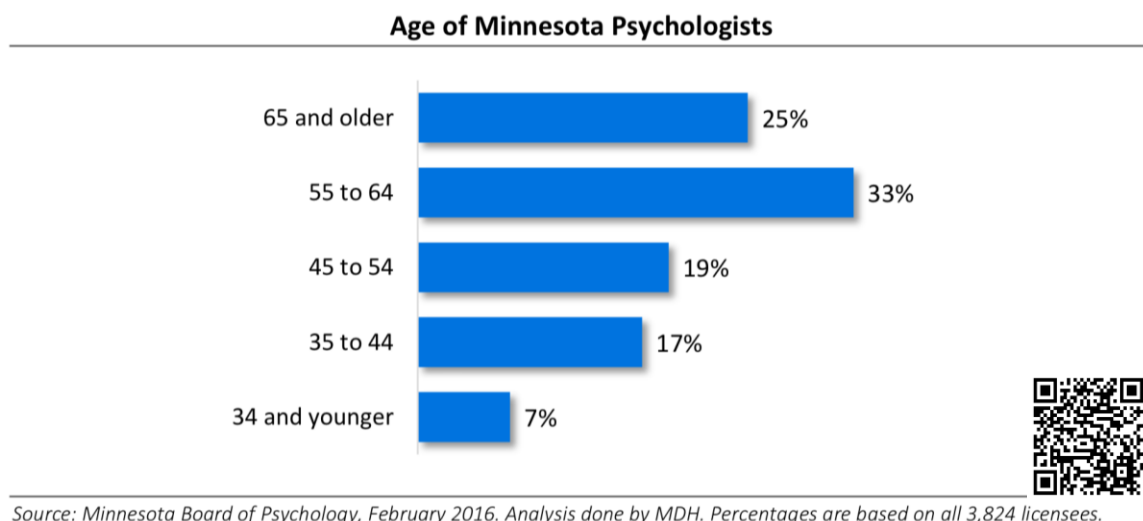


Psychology: A Profession in Crisis

Psychology is an aging profession in Minnesota's health care sector. More than half of all psychologists are age 55 or older, and the youngest cohorts of psychologists are proportionately small, suggesting that there is not a large pipeline of new professionals entering the field to replace those retiring.



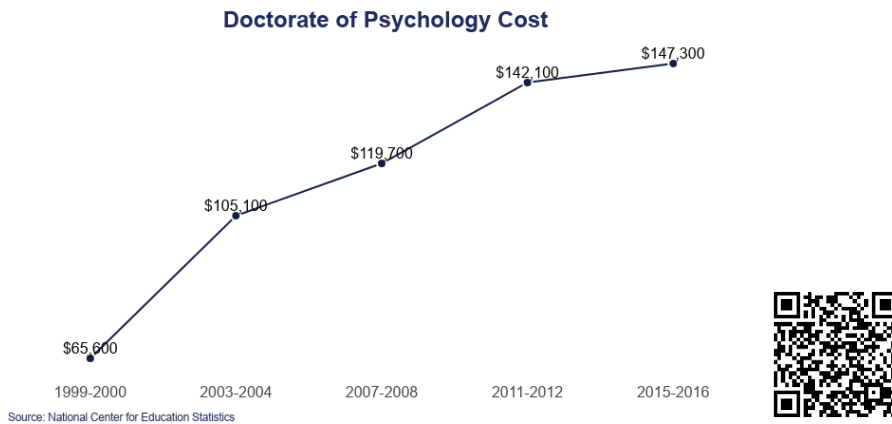
- 77% of psychologists in 2016 were 45 years old or older.
- In 2022, there were just over 3700 psychologists in Minnesota
- Approximately 2850 of them are 45 years or older.
- In 25 years, the youngest of these will be 70 years old. The remaining 850 will be 45 or older.
- Assuming replacement at the rate of the last 20 years, there will be 1700 psychologists in Minnesota.
- Using the replacement rate projected in the last 10 years and considering the time it takes to educate and train a psychologist, there will be 260 new psychologists added to the 850 older psychologists, for a total of 1110 psychologists in Minnesota.
- 20 years later it will be 520.

We are running out of psychologists in Minnesota. There are many factors that play a role in this, the most important is that income has been stagnant over the past 20 years. The few improvements have not come even close to keeping up with inflation, much less the costs of training to become a psychologist.

Why it matters.

- Psychologists have a significantly greater breadth and depth of education, training, and experience in mental health diagnosis and treatment. Psychologists are trained in the neurological, biological, social, relational, cognitive, and behavioral sources of mental health disorders. We literally consider the whole person in the treatment of mental health disorders. Master's level mental health providers typically have 3 or more years fewer of education; a lot is learned in those 3 years.
- 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 not changed in years, while the cost of living and ironically healthcare have risen sharply.

- From 1999-2015 the cost of a doctorate in psychology has more than doubled, and likely is nearing tripling.



- Average student loan debt for new psychologists ranges between \$160,000 and \$224,000. (this is higher than education costs because living expenses exceed earning potential for most students)
- Let's look at income (Bureau of Labor Statistics, national data)
 - 2001 median salary for Doctoral level clinical psychologist was \$72,000
 - 2021 median salary for Doctoral level clinical psychologist was \$82,510 (14% increase)
 - Cumulative inflation during the same period is 53%
 - Using the Minnesota federal reserve inflation calculator the pay rate if it just matched inflation should be \$110,175
 - There is a shortfall in pay of \$27,665, an 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 there any wonder why there are fewer per capita people entering the field of clinical psychology?

In Minnesota there was a rate increase to a very limited number of programs of 23.7% in 2007; psychologists were excluded from this increase.

- MPA once again presented a request for a rate increase of 23.7% for doctoral level Licensed Psychologists for Medicaid clients.
- DHS informally scored the cost of this change to be \$26,000,000.
- The total annual behavioral health budget for 2024 proposal is \$187,000,000.

For perspective

- The DHS projected cost for a 23.7% increase of 26 million is 14% of the 187 million budget which reflects the costs of all behavioral health. (Mental health and chemical dependency in all its forms.)
- Using DHS math, Doctoral level psychologists would currently account for over 56% of their behavioral health budget (4 times the scored \$26 million cost of a 23.7% increase in payments to Psychologists) or \$104,000,000.

A final note from an April 30th Star Tribune Article "Despite Laws, Patients Face Obstacles to Care"

- Physician assistants (a Master's degree and license) MN median salary \$65.07 per hour, annual salary \$135,345
- We are supposed to have mental health parity, but how can we have that without parity in earnings?