**Physician Fee Schedule Medicare Reimbursement Percentages for LPCs/MHCs**

The Physician Fee Schedule (PFS) are rates set by statute and formula. Physicians and some practitioners are paid the full fee schedule amount (100% of the fee schedule), while other non-physician practitioners are paid a percentage of the fee schedule amount. The fee schedule amount (or sometimes referred to as the Medicare Allowed Amount) that is owed to the healthcare practitioner is paid by both the government (Medicare) and the beneficiary.

Typically, the split is 80/20 – Medicare pays 80% of the fee schedule amount and the beneficiary pays the remaining 20% (coinsurance). For instance, if the fee schedule amount is $10, and the physician gets the full $10 (i.e., 100% of the fee schedule), of which Medicare would pay $8 and the beneficiary would pay $2.

The same is true for psychologists – they are paid 80 % of their actual charge or “the amount determined by a fee schedule established by the Secretary” (see 1833(a)(1)(L) of the Social Security Act).  So, psychologists get 100% of the fee schedule amount, but Medicare’s share is 80%.

**For Mental Health Counselors (MHC)/Licensed professional Counselors (LPC) services, Medicare will pay either:**

1. 80% of what the MHC /LPC charges for the service OR
2. *75% of what psychologists get paid under the fee schedule* -- whichever is less.

In either case, Medicare pays 80% and the beneficiary would pay the other 20%.

Since psychologists are also paid 100% of the fee schedule amount, MHCs/LPCs are essentially paid 75% of the fee schedule amount. So, for example, if the fee schedule amount for a service is $100, then the MCH/LPC fee schedule rate is $75 for the service (as opposed to a physician or psychologist for whom the fee schedule rate would be $100).

Again, that amount is split between Medicare and the beneficiary. Under that hypothetical, Medicare would pay the MCH/LPC 80% of $75 (or $60) and the beneficiary pays the MHC/LPC 20% of the $75 (or $15). The way CMS calculated things in the example below was to simply take the amount Medicare pays the psychologist and then take 75% of that to determine the MHC rate.

**EXAMPLE PROVIDED BY CMS:**

Using our hypothetical example, the math would still come out the same in terms of what Medicare pays (using $100 fee schedule amount, Medicare would pay 80% to the psychologist or $80 dollars, and then take 75% of that amount for MHC/LPC rate, which is $60 paid by Medicare. The beneficiary must still pay 20% in each case).