Some Thoughts On Insurance and Therapy

This document outlines some information I want to share with my clients from a consumer standpoint. These are my informed opinions and from this, you may take whatever information is helpful to you (or not) as you decide how you want to fund your therapy. Please know that if you carry one of the insurances for which I am a behavioral health provider (Aetna and United), I am more than happy to work with you and those companies so you may use your benefits. I do not believe taking care of one’s mental well-being should be an exclusive process, but I do want you to know some things that are involved of which you may be unaware. ~ Laura Wagner, LMFT

1. Insurance companies require that I determine a diagnosis to pay for your session.

An insurance companies may accept a diagnosis like as “Adjustment Disorder”; however, there are companies who refuse to reimburse for these "softer diagnoses” and require a more acute diagnoses to pay for your session. Even common experiences like “Depression” or “Generalized Anxiety Disorder” go into your permanent record and lots of eyes within your insurance company see these records. You may already be well aware of this and it might not matter for you. Perhaps you (or your family member) may indeed be struggling with depression, anxiety, or another behavioral health issue, but if you ever have to secure insurance for yourself (health or life), it might matter a great deal as it can make the difference between getting preferred coverage or none at all in the future.

I know firsthand that there are processes that we don’t often consider where certain entities will want to look into reasons behind prior counseling / therapy. Case in point: my husband and I adopted our son in 2008 and the counseling each of us had been involved in as individuals as far as 10 years back (even before we met and were married) was questioned. We didn’t take issue with this and knew at the onset that a review of our counseling and medical records might be a part of a process to reach a higher goal of completing our family, but someone else might not want to enter a circumstance that would require opening confidential files.

Additionally, couple or parent/child relationship issues, grieving, or dealing with a difficult circumstance or stage in life are all things that are usually not covered, which
means that your therapist will have to determine some kind of diagnosis for least one of you (if it’s couple or family therapy) to try to get your coverage. While it may truly be an “adjustment” issue or a transition that has brought you into counseling, your insurance company may not be in alignment with paying for your treatment based on that.

2. If a therapist takes an insurance client, their notes can be viewed by the company at any time.

If an insurance company wants to "check up" on you or the quality of care from the therapist, they are free to audit your private notes at any time. Any details, revelations, or diagnoses that didn't make it on the bill are now viewable by their auditor. In some cases, notes or forms may be required by the company to determine if you are able to receive more sessions.

3. Therapists lose money on insurance clients - both in time spent and in fees paid.

Many EAPs, HMOs and some PPOs* will only pay your therapist 33% - 66% of her normal fee. This means she takes a loss between 30 - 75% of her income on every session. Additionally, every insured client will cost her unreimbursed time each month on billing. This time is often spent “making a case” for a client on the phone or resubmitting a bill multiple times when it has been misfiled or something has been called into question.

4. I will qualify this by making sure you understand that the following is, again, my opinion, so please take that into consideration when reading the following. It is, however, a well-informed opinion: Good and experienced therapists rarely take insurance.

There are certainly good therapists in managed care, but because of the aforementioned issues, it’s becoming touch-and-go. I know of a handful of therapists who take insurance that I personally recommend when I’m not accepting new clients, and even then, it’s often as an “out-of-network” provider.

A therapist who is sought after by people who are willing to pay privately for her services doesn’t need to jump through the hoops of managed care; so they often do not. I currently accept a couple of insurances, but the rest of my clients are private-pay. I anticipate that in the next year or so I will not be on any insurance panels. I’m very good at what I do and how I help people, so I have a full and thriving practice. I
would rather keep my attention focused on that and the care and well-being of my clients than paperwork, fighting for your care, and my income.

What can you do?

- Whenever possible, pay in cash. If not cash, then by check, debit or credit card. In the world we live in today and the resources available for small businesses, a good therapist is also a good CEO of his/her practice and should accept those forms of payment. If you pay cash for a session, it’s between the therapist and the client and there’s no record shared outside of the office of time spent there. A therapist’s notes are protected legal documents with a few specific exceptions.

- If you must use insurance, do your best to get a PPO that has out-of-network coverage. The issues of providing a diagnosis (which I reviewed at the beginning of this document) still apply, but you will have more selection in the therapist you choose.

- Another option is to be willing to pay for therapy up front and submit for reimbursement. In the end, you should come out-of-pocket the same amount. The difference is that highly qualified and busy professionals rarely will bill insurance directly (see #3); however, they will often happily provide you with the receipt you need to seek payment. Clients of mine often use their HSA (Health Savings Account) or FSA (Flexible Spending Account) funds and that works well, too.

So all of this aside, do not fear coming to me with your insurance since I can fairly easily bill them as I’m a provider for just a couple of companies. I know that might sound like an afterthought given all that you just read, but I truly do believe therapy should be available to those who seek it and need it. I want my clients to be informed consumers who know the ins-and-outs of what’s involved in dealing with managed care at this time. There are pros and cons to everything, so take that into account as you navigate your search for a therapist.

*PPOs that do not cover "out of network providers"*