

## What Your Therapist Hasn't Told You About Using Insurance

Once upon a time, not long ago, I started out as a licensed therapist- ready to bill insurance.

I believe in therapy, and believe that therapy should be accessible by those who are not wealthy. So you see, I was determined to buck the trend and bill insurance for my services. Wiser, more experienced therapists quietly warned, "Don't do it!" But I did not heed their advice because I thought- "What is a little headache and paperwork compared to being able to offer therapy to clients who could not otherwise afford it?"

Well guess what!? I've learned a few things along the way. Some of them, I think you probably haven't heard. Some of them, very important. And I think you have a right to know. I think you can handle the truth and if I were in your shoes (I was once) I would want to know. So here it is,

### **The Low Down Ugly Truth Of You Using Your Insurance-**

#### **1. Insurance companies require a diagnosis to pay for your session.**

If you're lucky, they'll accept a soft diagnosis. Something like "[Adjustment Disorder](#)" which is temporary and non-threatening. But many insurance companies are on to that trick. They refuse to reimburse for "softer diagnoses", and require more severe diagnoses to pay for your session. Even common experiences like "[Depression](#)" go into your permanent record. This might not matter for you. However, if you ever have to buy insurance for yourself (health or life) it might matter a great deal. And can make the difference between getting preferred coverage, or none at all.

The even harsher reality? Couples relationship issues, parent/child troubles, normal grieving, or "just having a hard time" are all things that are usually NOT covered. Which means that your therapist will have to slap at least one of you with a diagnosis just to get your coverage.

#### **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 your quality of care from the therapist- they are free to audit your private notes at any time. Any dirty details, secrets,

diagnoses that didn't make it on the bill (because your therapist shrewdly protected the more severe diagnoses from their eye) are now viewable by their auditor. And in some cases, notes or forms will 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 1/3-2/3 of her normal fee. This means she takes a loss between 30-75% of her income on every session. Meanwhile, every insured client will cost her between 20 minutes- 7 hours each month on billing. That's unreimbursed time. Time spent out of session, and away from her family to argue with the insurers on the phone. To resubmit a bill for the third time. To clarify between multiple different answers given about coverage. To fill out the detailed forms (with diagnosis) required to even send a bill. In worst cases, an EAP or HMO client can actually use so much time and reimburse so little- that the therapist walks away with the equivalent of a minimum wage for their time.

"So what?" you say. "Not my problem" you say. Well, you're right- it's not directly your problem. But let me paint a hypothetical picture for you (hang with me, this is an important point!):

*A therapist starts out brand new with few clients. She applies and accepts any and all insurance because she is eager to make a name and build a business to support her family. With time and skill she builds a full practice and a thriving business. She eventually has to turn clients away because her work is so well-liked, she has a full calendar. At that point, she only has an opening every few weeks and can afford to be pickier about who she puts in the slot.*

*One day she gets an opening and has two new clients call her that day. One of them has an EAP that will pay the therapist 50% of her normal rate and will fight her each step of the way. The other has a PPO (or is a cash client) that will pay her a normal rate with little fight. All things being equal- who will the therapist offer her hour to?*

And this is the dirtiest truth of all. The one that I will get in trouble for saying. But I think you deserve to know:

### **4. Good and experienced therapists rarely take insurance.**

I can only think of one therapist that I know personally, who has been at it for over 5 years, that takes insurance. Only ONE. I'm not saying that there are NO good therapists in managed care. Not at all. But I am saying that simple supply and demand apply here. Those who are full with clients do not need to go through the headache of managed care. So they don't. The ones who are not full are more motivated to jump the hoops. So might I delicately (or not so

delicately) suggest that in the case of your dearest relationships, and your mental well being- you might consider changing things?

### **What can you do?**

- I recommend paying cash for session whenever possible. If you pay cash for a session, no one has to know but you and your therapist. There is no public record of any diagnosis. There is no public record of your time spent there. Your therapist's notes are protected legal documents.

- If you must use insurance, do your best to get a PPO that has "out of network coverage". In this case, the issues of diagnosis (above) still apply. But you will have more selection in who you choose.

- Finally, be willing to pay for therapy up front, and submit your receipts for reimbursement. In the end you come out of pocket the same amount. The difference is, highly qualified and busy professionals rarely will bill insurance directly (see #3) however they will often kindly provide you with the receipt you need to seek payment. And that way, you both win.

My plan is to continue to jump the hoops as long as I can afford to. I have (sadly) already terminated my contracts with some insurers and expect that is not the end of it. So all this aside- **please do not fear coming to me with your insurance! I happily and easily bill most insurances.** And (as I said) I deeply believe therapy needs to be available to all, so billing insurance is an important part of that for me.

I just think you have a right to know what you're getting as a consumer. And your insurance is no exception.