



Partnering with churches and community for affordable care

Issues of Managed Care and Using Insurance for Mental Health Services

Wellspring Counseling works with some health insurance companies, but believes that in the long-run self-pay is the best route for clients when seeking mental health care. Why is this so?

Because of the rapid increase in the cost of health care, most insurance plans are using Health Maintenance Organizations (HMOs) or "Managed Care Companies" to control costs. These companies promise to control costs by cutting waste and lowering rates. Because insurance often requires that consumers use a managed care company and the co-payment is very low, many consumers use the mental health benefits under their managed care plan.

The management company hires or contracts with the therapist and then encourages the therapist to follow cost-reducing policies. This is a problem when the managed care company makes choices different than the consumer. A concern for many therapists is that some companies ask the therapist to end treatment sooner than the therapist feels termination is advisable. When therapists do not follow the company directives, they risk losing their contracts.

There are many good therapists working for managed care and many clients receive good treatment from managed care. However, therapists working for managed care companies do have split loyalties. They are working for both you and the company. It is important to know about the therapist's obligation to the managed care company and how this may influence your treatment.

Why Pay for Your Therapy Rather Than Use Your Insurance?

You want privacy.

Whenever insurance is used, some information (such as your diagnosis) is available to the insurance company and at times to employers. Managed care companies often ask for detailed and personal information about clients in order to make payment decisions. This judgmental review can undermine the sense of privacy necessary for effective therapy and may jeopardize confidentiality. There is just no guarantee that your mental health records will not be accessed for legal reasons, by your employer and someone else. Another privacy issue is that the federal government and the insurance industry have developed a national database of medical and mental health records, to which your managed care records are

reported to and stored. Regardless of the regulations, there is no way to tell how the information from the National Data Bank will be used or abused. Similar to your credit report, it may be easily accessible and abused. When clients pay for therapy out of pocket, there is no loss of privacy to managed care companies, insurance companies or employers; everything shared is confidential and private. Often our mental health records are the most private and personal records we have, and to guard their confidentiality is of utmost importance. At Wellspring, we make this a first priority.

You want to choose your own therapist.

Many insurance companies limit the choice of therapists. Some of these “preferred providers” offer good treatment, keep their clients’ interests foremost, and try to keep treatment brief without sacrificing quality. At times however, the insurance company asks the preferred providers to divide their loyalty between the client and the insurance company. Many clients prefer to choose their counselor personally and avoid seeing a therapist with a potential conflict of interest between the client and the insurance company. Other clients may want to work with a therapist who was highly recommended or has some type of religious/faith background but may not be on the company or preferred provider list.

You want to choose the type and length of treatment.

Managed care programs often limit the choice of therapy. While some interfere very little with the consumer’s choice of type or length of therapy, others make many of the important treatment decisions—the length of treatment, the type of therapy, the use of medication, and referral to self-help groups instead of professional services. Some companies provide only ultra-brief therapy and referrals. Self-paying for therapy may be necessary in order to receive the type and length of treatment needed.

You don’t want a managed care employee making judgments about you. When managed care is responsible for payment, they have the power to influence your treatment. A company employee evaluates your motivation, the severity of your problem, and your progress and makes treatment recommendations. The therapist must take the company’s recommendations into consideration or risk losing the contract to work with the company altogether. Many clients prefer paying for their own treatment to eliminate influence from an outsider.

You don’t want to be labeled “sick.”

Whenever insurance is used for psychotherapy, the treatment must be “medically necessary,” which means that your therapist must give you a psychiatric diagnosis or label, such as depression or anxiety. When you pay directly, you may seek consultation from a mental health professional for any reason you choose. People use therapy for personal growth, for help coping with stressful life situations, and for marriage and family difficulties, as well as for chronic and serious psychological problems. When you are self-paying, you are never labeled.

Comparison of Self-Payment and Managed Care

Self-Payment	Treatment Under Managed Care
The therapist provides you with pertinent information about background, experience and interests to help you make an informed choice about who you would like to receive care from.	The insurance company provides a small list of therapists' names to choose from.
You contract with your own therapist.	The therapist has a contract first with the insurance company and second with the client. There is a conflict when the client wants to be treated until satisfied and the insurance company limits treatment.
Your personal information is kept strictly confidential unless there is a specific release of information which you personally recommend.	The insurance company requires information about a client's most dysfunctional behavior. The insurance company does not inform the client who has access to this information, if the information is in a data bank, how it is protected, and how the information may limit the client's future insurance ability.
The length of treatment is decided by you and your therapist.	The length of treatment is decided by the insurance company. Economics and internal policies may influence treatment decisions.
You may get a second opinion to aid in this decision.	The insurance company chooses the treatment and does not recognize second opinions from outside the insurance network.
You choose the type of psychotherapy that fits your personal needs.	The insurance company is apt to choose brief therapy regardless of the individual's needs.
Therapists charge only moderately higher fees than the co-payment for many insurance plans.	Many plans require a co-payment that is close to the fees that other therapists charge, and because managed care often ends treatment prematurely, many clients end up paying at full cost for treatment after the managed care plan terminates payment.
When you self-pay you may be treated in the medical model and/or the self growth, problem solving mode.	Managed care and insurance companies only pay for the treatment of psychiatric diagnosis and the resulting symptoms. They do not pay for personal growth or problem solving treatment.

Some Final Thoughts

1. Be extremely careful not to fall into the trap of "cheaper is better". Managed care may be the cheapest option in the short term, but very expensive in the long run. Not all Managed Care companies are the same. Find out the facts and make an informed decision.
2. If you want your health insurance to partly pay for a therapist of your choice, sign up (or switch) to an insurance company that offers an old fashioned fee-for-service indemnity plan. Under such a plan you maintain control of who and how you will be treated.
3. Consider paying out of pocket for your therapy. Tending to our marriages, children, our own health is too important. This option best assures that what you discuss in therapy remains private and increases the likelihood that you get proper treatment.

*Adapted from Ivan Miller's, *Why Pay for Your Psychotherapy?*