THE THERAPIST DIRECTORY OF SAN DIEGO

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INSURANCE VS SELF-PAYMENT

Insurance Plans

Although it is difficult to generalize about insurance plans because there is a lot of variation between insurance companies, it is useful to discuss some of the differences. Many insurance plans are now using "Health Maintenance Organizations" (HMO's) or "Managed Care Companies" to control the cost of health care. These companies promise to control costs by cutting waste and lowering rates. If you belong to an HMO, you may only go to a health care provider that is in their "network" of providers. They normally will not cover the cost of any other provider (it has been found that some HMO's will pay benefits to providers outside of their network if asked). You are also required to first get authorization for treatment from your primary care physician. There are some HMO's that now offer a "Point-of-Service" (POS) option which allows more flexibility and the ability to choose to seek care outside the HMO's provider network. The HMO will provide partial reimbursement for out-of-network services usually after a deductible has been met.

Plans using HMO's tend to be more involved in the administration of the policy and are more restrictive because they make money by cutting costs. HMO's contract with providers to ensure that they are not providing unnecessary services. In certain instances, therapists are given incentives to provide less or briefer treatment to clients. Some therapists are refusing to work with HMO's because they feel they are too restrictive, require excessive paperwork to justify treatment, only authorize treatment in severe cases, and interfere in the therapist/client relationship and the process of therapy.

There is more freedom of choice with insurance plans using "Preferred Provider Organizations" (PPO's). If you belong to a PPO, you may go to a "preferred" or "in-network" provider or an "out-of-network" provider, and they will cover a certain amount of the cost. If you go to a provider not on their list, they may require a deductible and pay a lower percentage of the cost. Some plans using PPO's can be as restrictive as HMO's except if you go out-of-network. Because you pay a higher percentage of the cost, they do not usually intervene in treatment decisions as much. All that is required from the therapist is a diagnosis code that meets their requirements for treatment. They do not normally ask for any other information.

Comparison of Issues

It is important for people to know the difference between using insurance versus paying for therapy on their own. Why would you pay for your psychotherapy rather than use your insurance? The issues are outlined below.

Issue	Self-Payment	Using Insurance
Privacy	Clients' personal information is kept strictly confidential unless a specific release of information is signed by the client (except in cases of danger to self or others). Therapists are not allowed to share information about a client's treatment with anyone unless they have prior written consent.	The insurance company requires information about a client's most dysfunctional behavior in order to justify treatment. The therapist may be required to provide not only a diagnosis, but also a treatment plan and progress notes. The information goes into a database, and the insurance company does not inform the client about who has access to this information, how it is

		protected, and how the information may limit the client's future insurability.
Choice of Therapist	Clients choose and contract with their own therapist. A client is free to choose a therapist based on his/her own preferences and needs. If a client is not satisfied with one therapist, he/she may choose another therapist or seek a second opinion at any time.	Most insurance companies limit the choice of therapist. Clients are required to go to a therapist that is part of their network of providers, and the insurance company has a contract with that therapist. With HMO's, no other providers are covered. If a client is not satisfied with one therapist, he/she must usually get authorization to seek a second opinion from another therapist on the insurance company's list.
Choice of Length And Type of Treatment	The client and therapist together determine the length and type of treatment. Clients discuss the appropriate treatment with their therapist and are active participants in the decision-making process. Clients are free to go to therapy as long as they and the therapist deem it necessary without outside interference.	The insurance company determines the length and type of treatment. They tend to limit sessions to 3-8 in order to reduce costs. Even if there is a maximum number of sessions allowed, they may not authorize use of the maximum. They encourage very brief therapy lasting only a few sessions. With some PPO's, a client is usually allowed to use a maximum number of visits or a maximum dollar amount for the year.

A Note about Length of Therapy

Brief therapy works well for many people who are dealing with a temporary crisis or a specific, well-defined problem. In many instances, a therapist can help individuals or families change very quickly. However, brief therapy is not appropriate for all people or for all types of problems. If you do not feel satisfied with the results from a few sessions, longer-term therapy may prove more helpful. A Consumer Reports (November 1995) survey found that, while most people experienced some relief in both brief and longer therapies, those who stayed in therapy for more than six months reported

the most improvement. Other research has found that people who stay in treatment for longer periods report greater gains than those who receive treatment for shorter periods. It takes time to develop a trusting relationship and resolve deeper, more complex, long-standing issues.

Recommendations

It is beneficial for you to obtain as much information as possible in order to make an informed decision regarding using your insurance benefits or paying for therapy on your own. Contact your insurance company and ask about your mental health coverage. Speak to the therapist you choose about the options you have. The therapist can also call and talk to the insurance company on your behalf. If the therapist is covered on your insurance plan, discuss with the therapist the advantages and disadvantages of using your insurance benefits. You may well choose to use your insurance until the benefits

advantages and disadvantages of using your insurance benefits. You may well choose to use your insurance until the benefits run out and then you can negotiate the cost of further treatment with your therapist. Many therapists will offer a sliding scale or reduced rate for those who cannot afford to pay the regular fee and/or do not use insurance. It is always your decision whether you want to use your insurance or pay on your own. You are encouraged to first look for a therapist based on your own likes and needs, then discuss payment options with that therapist.

Sources:
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San Diego Psychotherapists Alphabetically
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San Diego Psychotherapists by Geographical Location
San Diego Psychotherapists by Credential