

Grace Layton

Why Self Pay is Preferable to Billing Insurance?

It is 100% confidential. If you self-pay, you never have to report to your insurance company that you attended therapy. When someone bills their insurance for therapy, the therapist is required to send the client's insurance company a diagnosis. The insurance company keeps that information in their records for an unknown amount of time. This information can then cause a new insurance company to which you are applying to deny coverage or increase your monthly premiums. I have heard of Life Insurance being denied for someone who was at one time given a diagnosis of Adjustment Disorder. An Adjustment Disorder, by definition is a short term condition and is the least severe mental health diagnosis a person can be given if in therapy.

In addition, some insurance companies will require not only the client's dates of service and diagnosis but also their treatment plan. This gives insurance company more information about the severity of the client's symptoms. Insurance companies then have the right to say therapy is not "medically necessary" and therefore insurance will no longer reimburse for therapy sessions. Meanwhile, the client maintains a diagnosis on their mental health record, and is therefore seen by new insurance companies as a higher liability.

On a rare occasion an insurance company will subject a therapist to an audit. This means the insurance company is allowed to thoroughly read and look through one or more clients' files in order to ensure the therapist is keeping records to the standard the insurance company requires. This takes the client's confidentiality out of the hands of the therapist and into the hands of the insurer.

In some cases employers are given access to their employees' health information.

Lastly, if one pays privately for therapy sessions without billing insurance, the therapist may still give the client a diagnosis but that information is held in confidence between the client, the therapist, and whoever the client chooses to share it with. The truth of the matter is many people attend therapy for Life Phase Difficulties, Family Relational Difficulties (such as couples work or parenting issues), and Personal Growth. These issues are valid and are some of the most prominent reasons to attend therapy; however, they are not considered "medically necessary" and therefore will not be reimbursed for by insurance. To be clear, if you are attending therapy purely for couples therapy and neither you nor your partner has a diagnosable disorder, self-pay is your only option, **insurance will not reimburse for couples therapy.**

Bottom line, unless you know you will always be employed by an employer who will provide benefits regardless of medical history, self-pay is a safer way to ensure future coverage. Some folks have a career change midway through life, become self-employed, and have to obtain and independent insurance plan. If there is any possibility of this in your future, it might be wise to keep your mental health between you and your therapist.

Grace Layton 6-26-12