



AMERICAN COUNSELING ASSOCIATION

American Counseling Association

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5999 Stevenson Ave. Alexandria, VA 22304 / 800.347.6647 / 800.473.2329 (fax)
www.counseling.org

Working with Managed Care

Enrolling as a Provider Responding to Claim Denials

“As a service to members, the American Counseling Association has partnered with Robert J. Walsh, NCC, LCPC and Norman C. Dasenbrook, LCPC, who have over 50 years combined experience in the mental health field (including over 30 years in private practice) and are consultants in counseling practice management, to offer a series of bulletins on various private practice topics. This series includes timely information on starting/expanding/ending a private practice, informed consent, HIPAA requirements, managed care and insurance companies, and strategies for enrolling on provider panels and responding to claim denials. The material presented is copyrighted and should not be reproduced without the permission of the American Counseling Association.”

Walsh and Dasenbrook are co-authors of, *The Complete Guide to Private Practice for Licensed Mental Health Professionals 3rd edition*. Their Guide contains the latest information on marketing, advertising, office procedures, dealing with managed healthcare and insurance billing. It contains a CD-Rom with all the forms necessary for your practice. The Guide can be purchased through their web site at Counseling-PrivatePractice.com. For more information you can contact the authors at 3703 N. Main St. Suite 100 Rockford, IL. 61103 815.877.0399

MANAGED HEALTH CARE

Managed Care is like water-- it seems to be everywhere. It can be as annoying as cold rain, and some of us are afraid we'll drown in it. Yet without it, we can find ourselves trying desperately to find ways to get it.

Lots of practice-building books and seminars brag that you can enjoy a thriving private practice without insurance and managed care reimbursements. They assert that becoming a provider is difficult, which is true, and they warn that the bureaucracy and paperwork is brain numbing (also true). What we want to tell you is that it's worth the trouble. Unless you practice in a very affluent area (and if you do, hundreds of other therapists will be there too), you need to realize managed care in some form will always be here.

Several years ago, when licensed mental health professionals were not included on any panel or reimbursed by insurance companies, the Illinois Mental Health Counselor Association (IMHCA) invited Jeri Davis, a national expert on managed care, to help us understand what we were up against. I remember in one of her presentations she used the analogy of a train. The managed care train had left the station and for licensed mental health professionals to get on would be a difficult task. Well, we are on the train now, thanks to hard work by many state and national counseling organizations. We are accepted as third party payors by some forty national and regional managed care and insurance companies. This number varies from state to state, but the trend is heading toward managed care companies and union benefit funds recognizing licensed mental health professionals. A comprehensive list of managed health care and insurance companies is available on ACA's website and our book, The Complete Guide to Private Practice.

What does that mean for you, the experienced therapist who would like to start a limited private practice? What about the newly licensed graduate? Through our experiences we have learned that the seats on the train are still open, and good, solid, effective therapists can have a seat.

The train is rolling faster and faster, and with all the mergers and changes in the rules, what can you do? Here's what we've learned. Managed care companies want business. If they keep their client companies happy, they make money. The company, in turn, wants its employees to be happy. A happy, healthy employee is a productive employee.

When a client calls and has been sent by his doctor, school, or friend (see section on marketing), he is motivated to see you because you have the reputation of being good, solid and effective. The first questions asked are: What are your hours and cost, and, of course, "Do you accept _____ insurance?" In most states, up to 80% of the top companies will pay you third-party reimbursement-- so, billing insurance is no problem. You have applied to each of the managed care companies that accept licensed mental health professionals and have been given a provider number. Several companies like Blue Cross/ Blue Shield accept applications from all qualified, licensed mental health professionals.

But what if you are not on the new client's panel? What if you learn that a panel is closed in your area? We have learned how to "get in the back door" of managed care companies. Using this method helps you to become an AD HOC provider; that is, you are accepted for one client. In many cases, once you are in their system, you are given provider status. You use this newly acquired status and the wonderful provider number that comes with it to be a provider on their panel. Believe it or not, we have even been sent new clients from the managed care company after using this process. Let us explain.

The three important components of the back door system are the client, his/her employer, and the managed care company. We use a three-part response developed by the Illinois Mental Health Counselors Association. Here's how it works:

The first letter of the three-part response comes from the client, the most important rail on the track. He petitions the employer in a clear, polite way, requesting that the managed care company consider paying the client's chosen mental health clinician. The letter points out the credentials, license and experience of this therapist, and that the therapist

meets the requirements of the state for a license as a professional therapist. This letter goes to the benefits manager or whoever coordinates insurance for the company. A copy (cc) is sent to the insurance or managed care company Provider Relations Director. Some are listed in the Managed Care list at the end of this section. Sometimes it takes several phone calls to find out who the Directors are. Your client's employer will usually help with this. It's worth the trouble for you to do this for the client.

The second letter of the three-part response comes from the licensed mental health professional. This letter is sent to the managed care or insurance company with a copy (cc) to the client's employer. In it, a request for consideration of payment for services is made along with the licensed mental health professional's qualifications, and information explaining that a licensed mental health professional is a good fit for their employee and will help their employee, which is in turn good for the company.

The third letter of the three-part response should come from the state chapter of the Counseling Association. Your state Counselors Association can develop a response letter to send to the insurance company or managed care company on your behalf. If you are a member, this is a service they should be happy to provide for you. This letter would state the case for accepting licensed mental health professional into a mental health option package. Along with this should be a brochure explaining exactly what your state license is all about. Model templates of all three letters are available through the American Counseling Association web site and on a CD ROM computer disc included with the book, The Complete Guide to Private Practice for Mental Health Professionals. A comprehensive list of managed health care and insurance companies is also available on ACA's website, counseling.org, and our book which can be ordered at our website, counseling-privatepractice.com.

Once you have had success with this process, you can enjoy your ride on the train to a profitable private practice. Good luck