Reimbursement rates for individual vs. group practice

Q: I am an individual provider and am exploring options to increase reimbursements from insurance third-party payments. I have heard from colleagues that group practices receive higher payments than individual practitioners. Would it be beneficial to collaborate with area counselors to gain better reimbursements?

A: We always think collaboration is beneficial. There are many reasons to work with fellow counselors. Opportunities for consultation, peer supervision and shared office space and equipment are obvious benefits. And sharing costs in the present economy is a message we have emphasized in many of our columns.

A few participants at our workshops have offered information on this issue. One group of counselors told us that they were able to negotiate a better rate with a local managed care group connected with a hospital physicians group. We have also had success with this in our own practices by calling local managed care plans and asking to renegotiate our fees. In a past Private Practice in Counseling column, we encouraged readers not to hesitate to “ask for a raise” (see counseling.org/Publications/CounselingTodayArticles.aspx?AGuid=c48ef20f-6e6-41dd-aad7-e51e23fb5e00).

We have several contacts in managed care and billing services that we rely on for helpful inside information. Three managed care companies informed us that they have a uniform reimbursement schedule for counselors, psychologists and medical doctors. These fee structures don’t vary and are tied to the counselor’s credential and the National Provider Identifier number. Likewise, a national billing service informed us that it knows of no difference in rates of reimbursement to large group practices versus individual providers.

We would like to hear from readers about this issue, as well as about any tactics and strategies they have found useful for improving insurance reimbursements.

Q: Recently, I had a new client with an insurance company that I had worked with before. When I called to verify the insurance benefits, I was told that after a $500 deductible, the insurance company would cover 50 percent. When I received the explanation of benefits and the check from the insurance company, it paid $20 per session. When I called the insurance company, I was told for this policy, it would pay 50 percent up to a maximum fee of $40 per session. I couldn’t believe it!

A: Any given insurance company will offer employers many different plan options. Depending on cost, benefits can vary greatly. So, do not assume you know what the insurance will cover. You did the right thing in verifying the benefits; however, you were not informed of the fee cap.

In addition to getting the insurance representative’s name, ask the right questions to ensure that all benefits, procedures and limitations are communicated. Important pieces of information to verify include:

- Coverage for professional counselors
- Effective date of coverage
- Amount of deductible and whether it has been met
ACA members can e-mail their questions to Robert J. Walsh and Norman C. Dasenbrook at walshgasp@aol.com and access a series of “Private Practice Pointers” on the ACA website at counseling.org.

Letters to the editor: ct@counseling.org

- If the deductible has not been met, how much has been applied
- Fees for 90801 and follow-up sessions (individual, family or couples counseling)
- Percentage of fee reimbursed
- Any necessary precertification or authorization
- Whether a referral from the primary care physician is needed
- Maximum number of sessions available per year
- Calendar year versus policy year
- Any coverage differential for serious versus non-serious diagnosis (for example, major depression versus adjustment disorder)
- Coverage for pre-existing conditions and length of time before coverage becomes active
- Any cap on annual amount of payment
- Any utilization or review requirements

The financial relationship between professional counselors and clients needs to be as transparent as possible. That way, reimbursement for services rendered does not become an issue in counseling.

We offer a comprehensive list of the top 55 managed care and insurance companies on the American Counseling Association’s website at counseling.org/Files/FD.ashx?guid=04ef6cb1-592a-413e-819c-5946dfaa4f69. The list will enable you to preview payment schedules, paperwork requirements and contact information.

Dennis W. Engels, Casey A. Barrio Minton, Dee C. Ray, and Associates

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