

The Business of Psychology: Insurance Panels: To Join or Not to Join by Margaret Sears

Many agree that psychology's adoption of the medical model was at best a double-edged sword. However, for purposes of this article, I am going to assume you are comfortable billing patients' insurance for your services and that you are wondering whether to join or leave an insurance panel. Keep in mind that some insurance plans don't use a particular panel of providers (any licensed psychologist can bill them) or if they do use a panel, they may offer "out of network" benefits. A thorough insurance verification process will establish each patient's individual benefits.

Types of panels. Some panels are open to all licensed psychologists who have no serious blemishes on their records (e.g., Regence Blue Cross, Medicare). Some panels have limited membership (e.g., PacifiCare Behavioral Health, Managed Healthcare Northwest). Of those, many accept new members rarely, and only to fill gaps in the panel. Some panels have an initial credentialing fee or monthly or annual dues for membership. All require you to accept contracted rates which, if lower than your usual billed fee, will necessitate your writing off a portion of your bill. Contracted rates for an hour of psychotherapy can range from \$60 to \$160 or more. Virtually all panels require you to collect only copays and deductibles from patients, preventing you from being paid in full at the time of service. Some panels actively "manage" the patient's care, authorizing visits a few at a time, and usually require written treatment plans or verbal "case consults" as a basis for deciding whether or not to authorize more visits.

How to decide if panel membership is for you. If you currently have a thriving practice with work you enjoy and belong to no panels, stop reading now. If you could use more business, or a different kind of business, adding a panel can be a way to change your practice. Keep in mind, though, that there are many other ways to improve your practice (more about this in future issues). As you decide whether to join a panel, ask yourself what is the lowest fee you are willing to accept; comparing that amount to a panel's contracted rate can help you decide about that particular panel. If you are applying for the Medicare panel, consider that once on the panel, you cannot resign. You may only "opt out" two years at a time; that option must be renewed every two years as long as you are in practice. When considering whether or not to join a "managed care" panel, where treatment is authorized contingent on submission of treatment plans, decide whether you are willing and able to comply with the requirements in a timely way. Remember to consider the cost of time spent on these activities and the cost of visits written off if you fail to comply in time with treatment plan requirements.

How to choose which panels are right for you. Ask to see the fee schedules and compare your "bottom line fee" to what they pay. Talk to colleagues or call me to see which ones are considered "good" panels and why. Consider which panels might be most important to your referral sources. Which panels do the major employers in your area use? Be sure you are comfortable releasing patients' confidential information to insurance companies before signing on with a managed care plan. If you have decided to move ahead with applying to panels, I recommend beginning with the most benign panels first, those with the highest contracted rates and the lowest paperwork requirements. See how those work out for you. Add others only as needed to achieve your practice goals.

How to get on a panel. For panels open to all, typically you will be asked to complete a credentialing application (12-20 pages) and to return it with a copy of your license, proof of \$1,000,000/\$3,000,000 malpractice insurance and a curriculum vita. Some companies have additional requirements. For panels closed to new members, you will need an "in." Perhaps you have a personal connection or something about your practice fills a gap on the panel (e.g., you're fluent in a foreign language, you treat young children, you offer evening or weekend hours, you are located in an under served area). You'll likely be asked to send your vita and a letter. Make the letter as compelling as you can. If blowing your own horn is not your forté, get help from a good writer who respects you. Once you send in the application, follow up periodically, just often enough so they think of you fondly. When you receive the contract, before you sign it, read it carefully and have your attorney review it if you have any questions. Keep a copy of the contract, along with fee schedules and any amendments in a convenient location.

How to know when to get off a panel. This is different for everyone. Sometimes it will be obvious that it's time to leave. Some panels you may have joined a decade or more ago and have thought little about since. For those of you who don't do your own billing, you may very well have lost track of the panels you're currently on and the contracted rates you're accepting. I recommend an annual review of panel memberships. Be sure you know the contracted rates they allow, their requirements and limitations, and the names of current patients who would be affected if you resigned. Find out whether those patients have out of network benefits. When you and/or your billing person have assembled that information, ask yourself these questions. What are the benefits of being on this panel? What do they pay? How much extra work do I have to do? Do I do that extra work gladly and promptly? Why do I need to be on this panel? Is this panel helping my practice and my morale or hurting it? How would my patients be affected if I resigned? Could I make special arrangements with any patient who would be adversely affected? And finally, do the costs outweigh the benefits?

How to get off a panel. Once you've completed your review and decided it's time to leave a

panel, read your contract. It will stipulate what you must do to terminate the contract, usually give 60 to 90 days notice. I recommend sending a certified letter, with return receipt requested. If you don't receive a written response, follow up with a phone call and do not assume you are off the panel until you get something in writing giving the date your contract has been terminated.

In the next issue of the Bulletin, I will share my experience helping psychologists develop fee for service practices that rely little or not at all on insurance reimbursement. If you have questions or particular topics you would like me to address, please let me know. I hope that in some small way I have helped you create a more rewarding psychology "business" that serves not only your patients, but also the psychologist who owns it!

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