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What You Should Know about Managed Care

Your health insurance may cover part of the costs of your therapy, but these benefits cannot be paid until a "managed care organization" (MCO) says they can be. The MCO has been selected by your employer, not by you or me. The MCO sets some limits on both of us, and you need to know what these are.

If you use your health insurance to help pay for your treatment, you must allow me to inform the MCO of your problem, of the treatment I am suggesting, and of how you are doing in many areas of your life. I will also have to supply the MCO with information on your progress during treatment. All of this information will become part of the MCO's records. All insurance companies claim to keep such information private, and there are federal laws about its release. But the laws and other rules that apply to me are stricter than the rules that apply at present to MCOs. If you are concerned, we should discuss these issues more fully before we start treatment and before I send the MCO any information. Also, if you wish, I will give you copies of any written reports that I send to the MCO.

The MCO will review the information I send in, and then will decide how much treatment I can provide to you. The MCO can refuse to allow me to treat you. It can refuse to pay for *any* of your treatment, or may pay only a very small part of its cost. Finally, it can limit the kinds of treatments I can provide to you.

Even if it does give the "go-ahead" to treatment, the MCO may put limits on the number of times we can meet. Your insurance policy probably has a maximum number of appointments allowed for therapy, but the MCO does not have to let you use all of those appointments. Also, it may not agree to more sessions even if I believe we need more to fully relieve your problems, or even if I think that undertreating your problems may prolong your pain or lead to backsliding. If the MCO denies payment before either of us is satisfied about our progress, we may also need to consider other treatment choices, which may not be the ones we would prefer.

We can appeal the MCO's decisions on payment and number of sessions, but we can only do so within the MCO itself. We cannot appeal to other professionals, to your employer, or through the courts without great effort. This state does not have laws regulating MCOs—that is, laws about the skills of their staff members, their legal status, their appeals process, and so on.

You should know that my contract or your employer's contract with a particular MCO may prevent us from taking actions against it if things go badly because of its decisions. My contract may prevent me from discussing with you treatment choices for which the MCO will not pay. I will discuss with you any efforts the MCO makes to get me to limit your care in any way.

The particular MCO in charge of your mental health benefits can be changed during the course of your treatment. If this happens, we may have to go through this whole process again. If after reading this and discussing it with me, you are concerned with these issues, you have the choice of paying me directly and not using your health insurance. This will create no record outside of my files.

I have read and understood the issues described above, and willingly enter treatment accepting these limits. I give my therapist permission to submit information in order to secure payment for the mental health services to be provided to me.

Signature of client

Date

HANDOUT 3. Patient handout for informed consent to managed care. From *The Paper Office*, p. 116. Copyright 1997 by Edward L. Zuckerman. Permission to photocopy this form is granted to purchasers of *The Paper Office* for personal use only (see copyright page for details).