

Accepting Insurance vs. Private Pay

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When starting out, or even in the evolution and growth of your practice, you will ultimately come to the question of whether to accept insurance or go the private pay route. While it does not have to be as black-and-white of a decision as this (we'll share some additional ideas), it's helpful to flush out the pros and cons for each.

Accepting Insurance

Pros:

- Receive a steady referral stream as prospective clients have access to in-network providers
- Providers who accept insurance may seem more credible to prospective clients
- Many individuals who have insurance are unwilling to go out-of-network for services, which would be closing the door to revenue

Cons:

- Your contracted rate may be less than your full fee/private pay rate
- It can become difficult to navigate insurance claim billing, requiring time and energy, or requiring the hiring a billing company
- You will be required to ensure that your services are covered (e.g., some insurance companies do not reimburse for couples therapy)

Accepting Private Pay Only

Pros:

- Setting a fee is straightforward and “across the board” - meaning, you do not have to worry about differing amounts for copays, coinsurance, deductibles, and so on
- You can set your fee as you see fit, including offering reduced rates to clients though you are not obligated to do so

Cons:

- You are marketing to a set niche of clients - those who can afford your full fee rate - and potentially excluding underserved communities
- You do not have a built in marketing strategy

Still on the fence about what to do? Consider *all* of your options:

1. Accept insurance-based clients only
2. Accept private pay clients only (you can also offer to give clients a superbill if they have out-of-network mental health benefits so they can seek reimbursement)
3. Accept some insurance panels and some private pay clients
4. Accept private pay clients but offer reduced rates for clients who do not have insurance
5. Start with accepting insurance-based clients, and as you build up your practice, gradually terminate contracts with panels to build up a private pay practice
6. Start with private pay clients, and gradually add on 1-2 insurance panels to see if they yield a steady stream of clients
7. Sign up with Open Path Collective; it's not an insurance panel, but does offer a stream of reduced rate clients
8. Offer to do a single contract with the insurance company - if it's offered, you can do a contract for that particular client for that particular insurance company

The practice of your dreams can be your reality. If you're looking for personalized guidance or more on this topic, consider a one-on-one consultation with a TPI consultant. Contact us at support@thepracticeinstitute.com to arrange a convenient time.

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