Teachers’ Guide

Freedom Self-Advocacy Curriculum
Module A -- Second Workshop

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In cooperation with:

National Mental Health Association
National Association of Protection and Advocacy Systems

With grateful acknowledgement to the Community Support Program (CSP) of the federal Center for Mental Health Services.

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Advocacy Module A—insurance treatment denials

IV.A. A real-life scenario
(10 minutes. Materials: The Consumer’s Story for Advocacy Module A about insurance treatment denials)

1. Distribute photocopies of the Consumer’s Story for Advocacy Module A about insurance treatment denials.

2. Read aloud “Ted’s story” about the person whose request to continue seeing his therapist is denied.

IV.B. Practice analyzing the problem
(10 minutes. Materials: The Consumer’s Story for Advocacy Module A about insurance treatment denials)

1. Here are some of the facts relevant to Ted’s appeal:
   - He has a clinical diagnosis of bipolar disorder. Obtaining coverage for treatment is more straightforward for people who have a clinical diagnosis.
   - He has a history of hospitalization. In his appeal, Ted can stress that therapy might prevent future hospitalizations, which are much more expensive than therapy.
   - He had been missing work until he began therapy. Although the insurer has used this as a rationale for denying treatment, Ted can argue that continued therapy is necessary for this same reason.
   - His HMO requires approval for more than four therapy sessions. Ted can argue that the HMO’s general policy is unfair to him because he has a long history of mental health needs.
   - His psychologist recommended additional therapy sessions. Ted can use this recommendation to argue that the treatment is “medically necessary.”
   - His insurer denied additional treatment because the therapy had achieved success. This is a common reason for denying treatment, but Ted can point to years of recurring bouts of depression to argue that continued therapy is necessary.

2. Here are some facts that aren’t quite as relevant:
   - Ted has been talking about his breakup and divorce. Ted should not have to discuss the personal issues for which he is seeking help.
Ted cannot afford private sessions. Financial hardship is not really a factor in insurance coverage decisions.

IV.C. Practice formulating a solution
(10 minutes. Materials: The Consumer’s Story for Advocacy Module A about insurance treatment denials)

1. Facilitate a discussion of the question, “Why should Ted use self-advocacy rather than relying on his doctor or therapist?”

Some of the reasons that a consumer can be a more powerful advocate than a doctor or therapist might include:

- Professionals fear retribution from the managed care organization (MCO);
- Professionals are very busy and are not compensated for time spent in the appeals process;
- Consumers have a more powerful case—professionals can be accused of merely seeking more money; and
- Professionals might be “going through the motions” of the appeals process simply to protect themselves from being sued for malpractice.


2. Facilitate a discussion of the question, “If MCOs are primarily concerned with costs, how can Ted use this to his advantage?”

An MCO might approve a desired course of treatment if the consumers can demonstrate to the MCO that the consumer’s desired treatment might prevent more expensive treatments further down the road. Contrast the cost of therapy sessions with hospitalization: this strategy is especially poignant if the consumer has been hospitalized recently and is seeking alternatives to hospitalization.

IV.D. Practice deciding on an action plan
(5 minutes. Materials: The Consumer’s Story for Advocacy Module A about insurance treatment denials)

1. Facilitate a discussion of the question, “What is the best way for Ted to proceed?”

Ted needs to determine what he is most comfortable with – written or verbal communication. He should assess the situation at hand and understand the deadlines for when he needs to have an answer.
IV.E. Learning more about the Legal Background  
(5 minutes. Materials: The Legal Background for Advocacy Module A about insurance treatment denials)

1. Make sure that you filled in the sources in the Legal Background for this Advocacy Module.

2. Distribute the Legal Background for Advocacy Module A about Insurance treatment denials to everyone in the class.

3. Explain to them that this can help prepare them for the third workshop. It provides a good source to learn more about insurance systems and their relationship to mental health consumers.

IV.F. Wrapping-up  
(5 minutes)

1. Thank your students for coming. Tell your students that they will continue with the same Advocacy Module in the third workshop.

2. In the third workshop, they will learn skills that will help them advocate for themselves when faced with an insurance treatment denial.

3. Remind them that they can use the Self-Advocacy Technical Assistance Guide they were given in the first workshop to help them prepare for the skills they are going to learn in the next workshop.
Advocacy Module A

Insurance Treatment Denials

Ted is forty-four years old. He lives in a medium-sized city and is divorced with no children. He enjoys nature photography and likes to travel to state parks to take pictures. He studied photography for a while at a nearby junior college, but he never finished a degree.

Ted has a diagnosis of bipolar disorder and has a history of periods of severe depression. He was first diagnosed with bipolar disorder in his mid-twenties. When he failed to respond to medication and counseling, he was given electroconvulsive therapy. He has been hospitalized several times over the last twenty years, but not in the last three years. Ted has been taking medication for some time.

For the past two years, Ted has been working in the shipping department of a company that sells CDs over the Internet. He doesn’t enjoy his job very much, but it helps him pay his bills. Another good thing about his job is that he has health insurance, which is through an HMO.

Ever since he became eligible for membership in the HMO, Ted has had occasional meetings with his primary care doctor and a psychiatrist, who have monitored his progress with his medications.

Two months ago, Ted began calling in sick fairly often, and his supervisor expressed concern to him. Ted made an appointment with his doctor and told her that he’s felt really down recently and doesn’t know if he can keep working.

Ted’s doctor gave him a referral to a psychologist to talk about his problems. Ted made an appointment with a psychologist who was part of his HMO network. During Ted’s first visit, the psychologist explained that she’d try to help him work through his feelings of depression.

During the same visit, the psychologist also told Ted that because she is part of the HMO network, she could meet with him four times. After that, she would need to get approval from the HMO. For the first four therapy sessions, Ted would have a co-payment of $25.00.

Ted and the psychologist decided that he would come to see her each Monday for the next four weeks. Between his initial appointment and the first therapy session, Ted called
in sick twice because he was having so much trouble sleeping and generally felt really down.

After meeting with the psychologist twice, Ted noticed that she was seemed a lot more interested in helping him than previous doctors and therapists had been. Ted realized that he’d been upset ever since he broke up with a girlfriend six months earlier. He also talked with the psychologist about his divorce, which happened twenty years ago. Although talking about the divorce was difficult, it felt good for him to work through some of the sadness.

At his fourth therapy session, Ted felt much better; he hadn’t missed work in three weeks. He told the psychologist that he felt he was really making progress in feeling better. The psychologist told Ted that she would send in a recommendation for four more therapy sessions and would call him in a few days to schedule the appointments if they were approved.

That week, Ted’s psychologist called him and told him that the HMO had not approved additional therapy sessions. She had recommended more sessions because she thought that continuing to talk about his divorce and recent breakup might help him deal more effectively with his bouts of depression. However, the HMO had told her that they felt that because he was feeling better and was no longer missing work, the therapy had already achieved success and therefore could be discontinued.

Ted told the psychologist that he really felt that he needed to continue his therapy sessions. She told him that his options would be to appeal the HMO’s decision, or that she could see him at her private practice. However, this would cost $110.00 per session because it would not be covered by insurance. With Ted’s income, this would create a major hardship, so he decides to appeal the decision.

Analyze the problem

Class discussion: What are the facts significant to Ted’s appeal of the HMO’s decision?

Formulate a solution

Class discussion: Why should you use self-advocacy rather than relying on your doctor or therapist?

Class discussion: If MCOs are primarily concerned with costs, how can Ted use this to his advantage?

Decide on an action plan

Class discussion: What is the best way for Ted to proceed?
Legal Background

Here are some additional hints for dealing with a managed care organization (MCO) that denies coverage for a treatment:

• **Learn why the MCO is denying covering of the proposed treatment.** Sometimes, the reason for denying coverage will help you decide whether or not your appeal will be successful. If you are requesting coverage of hypnotherapy, for example, and your policy excludes it, then you have little chance of success. If, however, the MCO denies the treatment as not being “medically necessary,” then this determination is subject to debate. According to the National Mental Health Association:

  Your insurance company should send both you and your provider a written explanation of the reasons care is being denied. This notice should include a description of the information required for your treatment to be approved. By providing this information in writing, it reduces the chances that there will be a miscommunication between the insurance company and you and your provider.

  Source: *Navigating Managed Care*, pp. 6-7.

• **Insist that your provider help you with the appeal.** Although—for reasons already discussed—you should not depend on your provider to conduct your appeal for you, he or she does have an ethical obligation to help you get the treatment that he or she has recommended. Also, enlist the help of an ombudsman or advocate, if these services are available to you in your state.

• **Document everything.** Keep copies of all written documents. Maintain a telephone log of the following items:
  - Time and date of call;
  - Whether or not you got through;
  - Names, positions, and credentials of everyone with whom you spoke; and
  - A description of what took place, including any phone numbers or instructions that you were given.

• **Follow through all levels of appeal, all the way to the top.** Many MCOs have multiple layers of appeal. Don’t allow yourself to be closed off from appealing further. Whenever an employee tells you that he or she is not the party responsible for your
problem, make sure that this person gives you the name of someone who can help. Always insist that you be given the method for furthering pursuing your claim.

• **Request a review by an external party.** You may or may not have the right to insist on a third party review of your dispute with the MCO. If you receive Medicaid, you can request a “state fair hearing” at the same time you file your appeal. Because these hearing processes differ from state to state, contact your state Medicaid office for details.

• **Manage your anger.** The managed care appeals process can be extremely frustrating. Keep the problem in focus: it is not the phone system or the low-level employees who are causing the problem. On the other hand, if the phone system puts you on hold for an unreasonable time, or an employee is rude, make sure that you make a record so that you can give added emphasis to your appeal. The National Coalition of Mental Health Consumers and Professionals offers this advice:

> Be assertive, persistent, and firm, but don't be abusive or angry in a way that discredits you. The managed care company will be concerned about how to defend itself against complaints, and one possible defense is discrediting the patient. If the patient is disrespectful, uses foul language or behaves irrationally, the company may escape responsibility by blaming the patient.

> It is also important not to use force or threats. You may tell the company that it is mistreating you, and that you will protect yourself through legal channels, but do not say or imply that you will cause harm if you don't get your way.


• **Don’t be passive.** The National Coalition of Mental Health Consumers and Professionals also states:

> Consistent reports from consumers indicate that the loudest complainers are the ones who win their appeals. While you should not be abusive or discredit yourself by venting excessive anger, the reality is that these companies are much more responsive if they fear that you might cause them trouble in some way. The administrators of managed care companies fear patients who may tell their stories to the press, who may complain to the insurance commissioner, or who may pursue a lawsuit.

Some of the **utilization management practices** that MCOs use include:

- Authorizing only a few therapy sessions at a time;
- Automatically questioning recommendations, regardless of whether they are correct;
- Authorizing a set percentage of the treatment requested;
- Denying treatment until the consumer appeals the denial;
- Viewing more expensive treatments with greater scrutiny;
- Denying treatments unless clinical diagnoses are clearly labeled; and
- Paying a lump sum per person so that the incentive is to cut treatment short.


### Local resources (to be supplied by workshop leader)

State insurance commissioner:

Ombudsman programs:

### Sources


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III.A. A real-life scenario
(10 minutes. Materials: The Class Exercises for Advocacy Module A about insurance treatment denials.)

1. Distribute photocopies of the Class Exercises for Advocacy Module A about insurance treatment denials.

2. Review “Ted’s story,” about the person whose request to continue seeing his therapist is denied and whose problem the students analyzed in the second workshop.

III.B. Practice written communication
(15 minutes. Materials: The Class Exercises for Advocacy Module A about insurance treatment denials.)

1. Ask your students to fill out the appeal form in the Class Exercises for Advocacy Module A about insurance treatment denials.

2. Tell them that they have 15 minutes for this exercise.

3. Circulate and help your students fill in the form if they need help. Your students should:
   - Frame their responses as requests rather than complaints;
   - Focus on continuation of therapy sessions to work on specific problem of depression;
   - Mention that therapy is necessary to allow continuing to work; and
   - Mention that the provider recommended additional sessions.

III.C. Practice verbal communication
(15 minutes. Materials: The Class Exercises for Advocacy Module A about insurance treatment denials.)

1. Divide students into groups of three.

2. Explain that you will now practice verbal communication. Your students should pretend that they haven’t filled out the appeal form yet, but instead will call the insurance company and try to get approval for additional therapy sessions.
3. Explain that there are three jobs in the group, and that they will take turns doing each one:
   - One person will play Ted.
   - One person will play the insurance company phone representative.
   - One person will observe.

4. Ask your students to pick a role to start with and role-play a short phone call.

5. After a few minutes, ask the observers to provide feedback.

6. After a few minutes, ask the students to switch roles.

7. Repeat steps 5-6.

8. You can circulate and offer assistance, based on the advice given to the observer in the Class Exercises for Advocacy Module A about insurance treatment denials, under “When you are the observer.”

Resources for insurance treatment denials


National Mental Health Association. *Navigating Managed Care: A Consumer and Family Guide for Accessing Mental Health Services in Managed Care Settings*. Edited by Clare Miller. 1999. Available by calling (800) 969-6642 or on-line at http://www.nmha.org

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