

COURT-ORDERED MENTAL HEALTH SERVICES COVERED BY INSURANCE

One of the most common questions we get is regarding what court-ordered services, if any, can be covered by insurance. I say “if any” because attorneys and clients sometimes have the mistaken assumption that mental health services cannot be covered by insurance when they are court-ordered.

However, it is not the referral source that determines whether a service could be reimbursed by insurance. Two criteria must exist for a service to be medically necessary, a relevant CPT code (i.e., service code) and diagnostic code. Or in plain English, if a client meets criteria for a mental health diagnosis that can be treated with therapy or medication, that claim can be turned into insurance.

So here’s the QUICK GLANCE for potential insurance reimbursement:
Therapy – yes (includes all forms of therapy, for all presenting problems)
Psychological (or substance abuse) Evaluation – yes
Parent Coordinator – no
Custody Evaluation - no

Hey, where did the “nos” come from! you may ask. Let me explain.

Parent Coordinator (PC) appointments are not covered by insurance. The insurance companies say that if PC is a role that can be held by an attorney as well as a mental health professional, then it is not a medical role and not reimbursed. There’s logic to that for sure. Also the PC has authority to make some limited decisions for clients, and therapists cannot actually make legally binding decisions for clients. Conversely, if the court orders family therapy to address co-parenting that could be coded under family therapy (CPT) and adjustment disorder (example diagnosis; other diagnoses may apply as well) generally those clients can use their insurance to get reimbursed. That doesn’t automatically mean therapy versus PC is the best choice for a family with co-parenting concerns. For some families they really need the PC component of the PC being able to make a binding decision when they can't come to agreement, so then therapy doesn't cut it since a therapist doesn't have that dictate.

Custody evaluations are not used primarily to determine the presence or absence of a psychological disorder. They are used to determine parenting

abilities and best interests of the child with regard to custody. Thus they are not medically necessary.

Why is it then, you may wonder, do clients or attorneys sometimes hear from a therapist or evaluator that clients cannot use their insurance at all for any service court-ordered? Well, great question. In my opinion they are being overly conservative and saying: court order = not medically necessary. But remember, it is not the referral source (such as court order) that determines whether something is medically necessary, but rather the person's functioning, and it's pretty clear most people court-ordered into therapy legitimately need services, and the same with the psychological evaluations ordered.

One caveat with psychological evaluations: sometimes people evaluated do not meet criteria for any disorder. In which case there is a CPT code to turn in to insurance, but no diagnostic code. In that instance the insurance company may not reimburse for the evaluation. But for clients providing an evaluation for the court that may be exactly the outcome one party is hoping for, i.e., an evaluation to show they do not have a mental health diagnosis. And if a client does meet criteria for a mental health diagnosis, not all diagnoses are detrimental to functioning as related to the legal questions at hand.

*Keep in mind this information is not a guarantee that insurance will cover a court-ordered service turned in for reimbursement by a client. Of course the various insurance companies have the final say on a claim-by-claim basis what they cover. **But the brief, positive take away is: Clients should definitely turn in their court-ordered mental health services for insurance reimbursement. There is a good chance they will be covered and reimbursed just like any other service would be.***