

Understanding How Outpatient Counseling and Therapy Reimbursement Is Calculated for Those Without Insurance

Reasonable and Customary, Using FAIR Health 80% Benchmark

Using the provider’s ZIP code for reference, JND Legal Administration will apply data published by FAIR Health¹ to establish reasonable and customary (R&C) benchmarks. FAIR Health provides data by geographical locale, broken down by percentiles. The calculation is made by cross-referencing ZIP code and service code at the 80th percentile.

Example

If 80% of providers in ZIP code 48823 charge \$150 for a 45-minute psychotherapy session (service code 90834), JND Legal Administration will allow \$150 or the provider-billed amount, whichever is less.

To further clarify, if a provider in ZIP code 48823 charges \$500 for a 45-minute psychotherapy session, JND Legal Administration will not allow 80% of the billed amount (\$400). JND Legal Administration will allow \$150, which is the established FAIR Health benchmark charged by 80% of providers in ZIP code 48823 for the same 45-minute psychotherapy session.

ZIP Code	48823
Service Received	45-minute psychotherapy (90834)
FAIR Health Benchmark	\$150 (rate charged for this service by 80% of providers in this ZIP code/geographical area)

	Examples		
	<u>Provider A</u>	<u>Provider B</u>	<u>Provider C</u>
Provider charge for 45-minute psychotherapy session (90834)	\$150	\$94	\$300
JND Legal Administration’s allowance Based on FAIR Health¹ benchmark	\$150	\$94	\$150

- Provider A charges \$150 for a 45-minute session. With proper documentation, an uninsured survivor would be reimbursed \$150 since it equals FAIR Health’s benchmark charged by 80% of providers in the geographical area.
- Provider B charges \$94 for a 45-minute session. With proper documentation, an uninsured survivor would be reimbursed \$94 since the provider’s rate is less than the FAIR Health benchmark charged by 80% of providers in the geographical area.
- Provider C charges \$300 for a 45-minute session. With proper documentation, an uninsured survivor would be reimbursed only \$150 since the provider’s rate exceeds the FAIR Health benchmark charged by 80% of providers in the geographical area. The survivor will be responsible for the balance of fees charged by the provider.

¹ FAIR Health was established to bring transparency to healthcare costs and health insurance information. A conflict-free, nonprofit organization, FAIR Health is charged with maintaining and making available trusted claims data resources that are used to promote sound decision making by all participants in the healthcare industry.