



GUIDELINES FOR RELATING TO THIRD PARTY PAYERS

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The PAM Complaints Committee has seen a recent increase in patient complaints following independent assessments conducted on referral by a Third-Party Payer. We offer the following for members' consideration and, hopefully, so that such complaints can be averted.

Psychologists are frequently asked to provide a professional opinion and/or clinical services in response to a Third-Party Payer (TPP) referral. In Manitoba, such requests are increasing in frequency and typically involve referrals from agencies such as Child and Family Services, Veterans Affairs Canada, compensation boards, or insurance carriers. This Guide is intended to assist with case-specific decision making but does not replace professional judgement in individual cases.

This practice activity raises many dilemmas. Psychologists often experience competing priorities, demands, and policies of stakeholders, and it is our challenge to sort them through. For example, what are the duties and responsibilities of the independent psychologist? What are the ethical and clinical implications of records release and the risks inherent in disclosure? What about patient confidentiality and self-determination rights? What about legal requirements in these situations? There may be difficult diagnostic issues when dealing with such symptoms as chronic pain, post-concussion, or fibromyalgia. It can be tricky for a psychologist to maintain clear and relevant professional boundaries. The TPP may attempt to influence clinical decisions, for example, to control costs or about varying opinions on the effectiveness of treatments, and so on.

Definition

A *Third-Party Payer* (TPP) refers to an individual or organization other than a patient which provides funding for professional services to a patient. The *First Party* is the individual receiving the services; the *Second Party* is the psychologist or agency providing services; the *Third Party* is the referring and paying individual or organization. It is important to remember that as a rule the TPP has an interest in the outcome of services but is not the patient/client. A psychologist's primary responsibility is guided by the best interests of the patient.

Principles

1. Psychologists are expected to provide ethical and competent care within the limits of our expertise. It requires objectivity to be impartial and unbiased, and to provide transparency of practice. Psychologists must adhere to existing standards of psychological practice, such as:

- [Personal Health Information Protection Act \(PHIA\)](#)
- [PAM Code of Conduct](#)
- [CPA Code of Ethics](#)
- [PAM and CPA Practice Guidelines](#)
- [PAM: Practice Advisory: Releasing Psychological Reports of Third-Party Assessments](#)
- [APA: Record Keeping Guidelines](#)

2. Information release must be with prior informed consent to a competent reader and is particularly critical with independent assessments and TPP. We must be sure to obtain fully informed consent from the patient prior to initiating any assessment, treatment, or consultation. Informed consent must include discussion of the recommended services, benefits and risks, billing and fee arrangements, alternative courses of treatment, and the likely consequences of a patient declining the service. Informed consent is a process that must be fully documented. Early discussion of financial coverage and the disclosure expectations of the TPP may prevent later dilemmas. When reporting a final opinion, detail the precise findings and reasons for any interpretations or conclusions. Continue to maintain careful neutrality and avoid immoderate language. Unless specifically excepted by PHIPA regulations, the patient should receive a copy of any report.

3. Relationships are the foundation of psychologists' effectiveness. Obviously, expertise in the technical aspects of assessment is also essential, but if relational factors are given insufficient attention, a negative reaction can be generated and, possibly, a complaint is likely. When a TPP is involved, relationships can be thorny, and it may be difficult to be truly objective. The expert's relationship with the patient will not continue after assessment; however, the relationship between the patient and the TPP usually does continue, and the findings might be filtered through the TPP in the future.

Make efforts to work collaboratively to avoid developing any adversarial relationship. Psychologists can be viewed as resources for meeting the shared goals of the patient and the TPP, which are improved health and psychological functioning, managing costs, and enhanced patient satisfaction. The TPP wants to know their subscribers experience high-quality psychological services. Initial and ongoing communication with the TPP about mutual expectations and goals is recommended. Clear baseline measures and anticipated outcomes are helpful to First and Third Parties. Treatment recommendations should focus on patient transitions from compromised to more effective functioning.

References:

[American Psychological Association. Partnering with Payers.](#)

[Canadian Medical Protective Association \(2011\). Providing independent medical evaluations](#)

[College of Occupational Therapists of Ontario \(2024\). Guidelines for Working with Third Party Payers](#)

[College of Physicians and Surgeons of Newfoundland and Labrador \(2019\). Guideline - Independent Medical Examinations](#)

[College of Psychologists of Manitoba \(2018\). Practice Advisory: Releasing Psychological Reports of Third Party.](#)

[Jessica J. Hodson, Dawn McBride \(2022\). Ethical implications of third-party record release. Journal of Ethics in Mental Health, 11, 1-11.](#)

**Responding to a Third-Party Records Release Request
Checklist of Questions to Consider**

Task	Questions to Consider
1. Receive the Third-Party records release request.	<p>a) Was the Third-Party records release request submitted directly by the patient? If not, did I contact the patient to verify s/he is aware of and consents to the Third-Party records release request?</p> <p>b) Does the form the patient signed seem to accurately represent informed consent (e.g., the risks and alternatives are clearly outlined)? If not, I need to address these gaps directly with the patient.</p>
2. Obtain informed consent from the patient.	Did I inform the patient of their right to read the information I will share from their record prior to consenting to the release? If the patient agreed to read the record, did I offer possible interpretations of how this information could be (mis)interpreted by the Third Party?
3. Document the informed consent process.	<p>a) Have I documented the informed consent process, in the patient record and with a signed consent form?</p> <p>b) If I used a consent form, did the form include the following information:</p> <ul style="list-style-type: none"> • what specific patient information is being released • name of person or agency to whom the record is being released • the purpose or the intended use of the information • the specific benefits and risks to the release that were discussed during the informed consent process and the risks of declining to participate • limitations of the information being released • billing and fees, and Third-Party coverage • any questions the patient asked, and my response • the date the form was signed • the expiration date of consent if it is an ongoing release request • the name and signature of the person authorizing the release (and the person's relationship to the patient if the person authorizing is not the patient) • signature of a witness if the person is signing outside of my presence <p>c) Is the information on my consent form presented in a manner that can be understood by the patient based on their ability to process information?</p>
4. Collaborate with the Third Party	<p>a) Did I receive the patient's consent to speak to the requesting Third Party?</p> <p>b) If so, have I consulted with the Third Party to determine the purpose of the request and what specific information is required?</p> <p>c) Did I offer to write a summary report including the specific information required instead of releasing the entire record?</p> <p>d) Have I encouraged the patient to speak to the Third Party themselves about any specific questions they might have?</p>
5. Action	Am I prepared to take responsibility for the outcome of this release, particularly if the patient experiences a negative outcome?

This document is a guideline and may not address all practice circumstances. Members are expected to stay informed of legislation and policies and procedures. Members are encouraged to contact the College if they have questions.