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High Deductible and Self-Pay Guide

High Deductible Insurance

A deductible is the amount of money you will pay out of pocket before your insurance company will pay your healthcare bills. The deductible amount is different for each individual insurance plan. If you have a “high deductible insurance plan,” you are responsible for a larger portion of your healthcare costs than with a traditional insurance plan, and your burden of payment is higher earlier in the plan year until you reach your deductible. For 2026, the IRS defines a high deductible plan as a plan which has a deductible equal to or greater than \$1,700 for an individual and \$3,400 for a family. If you are not sure what your deductible is, check your insurance card, contact your insurer, or look at the detailed plan information you received at the time of enrollment.

Out of Network Insurance

There are some insurance plans which are “out-of-network” with Farrar and Associates. If you have insurance that is out-of-network, your insurance company does not have a contract with Farrar and Associates. Farrar and Associates patients with out of network insurance will need to select the self-pay option. Upon request, we can provide you with a receipt which you may submit to your out-of-network insurance for possible partial reimbursement or credit towards your out-of-network deductible. Please note we do not do single case agreements.

Preventing Surprises with High Deductible Insurance

We have noticed a clear pattern of patients accumulating large and unexpected outstanding balances when charges are submitted to high deductible insurance plans. We want you to have a realistic sense of the cost of care with your plan, and not be surprised by a large bill at a later time. Therefore, if you have a high deductible plan, we will require you to make a partial payment of \$200 at the time of your visit. Please be aware that you will need to provide this payment before you will be able to schedule another appointment at Farrar and Associates. We will then submit the charge to your insurance. Your insurance company may have a negotiated discounted rate that is lower than our standard insurance rate. Once the claim has been processed by your insurance, your partial payment and the negotiated insurance discount will be applied, and any remaining charges will be billed to you at that time. Once we have confirmed that your deductible has been met for the year, we will no longer require you to pay a portion of the cost up front.

Self-pay

Many people with high deductible insurance choose to “self-pay,” rather than have us submit the charge to their insurance company. If you have out-of-network insurance, we do not have a contract with your insurance company, and self-pay will be necessary.

The advantage of self-pay is that Farrar and Associates will charge you a lower rate for the service because of the lower associated administrative burden on the practice. For example, the standard insurance rate for a 30 minute medication management follow-up appointment is \$392. Let's assume you have a high-deductible in-network plan and your insurance company has negotiated a lower rate, for example, \$290, for this service. That is the amount you would be responsible for paying until you reach your deductible if you elect to have us submit this charge to your insurance. However, the self-pay rate for this same service is \$220. Choosing self-pay could result in significant savings if it is unlikely that you will reach your deductible by the end of the year. Self-pay also offers the benefit of your insurance not having a record of your obtaining these services.

The disadvantage of choosing self-pay is that the full charge needs to be paid at the time of service, and the charge is not automatically applied towards your deductible. It is often difficult to estimate what your healthcare costs will be in a given year, and there is a risk that using self-pay may delay your reaching your deductible, when your insurance will begin to cover more of your healthcare costs. However, you do have the option of submitting receipts for self-pay services to your insurance company later in the year if you reach your deductible earlier than expected. You can request reimbursement directly from your insurance in this case. Be aware, this can be a difficult and time consuming process. If you elect to self-pay, we would not play a role in the reimbursement process beyond providing you with receipts.

For additional information on the difference in costs between insurance rates and self-pay rates, please see our **Financial Policy/Fee Disclosure** document, available on our website.

Final considerations

Please understand that the selected payment option **cannot be changed *after* service** has been provided and billed. You do have the option to change the payment option at any time for *future* services by signing a new financial agreement. Only rare exceptions will be made to this payment election agreement and are solely at the discretion of Farrar and Associates.

This information is offered to help you make an informed decision. Ultimately this is your decision, and you will be financially responsible for the results of what you choose. We understand that this is confusing and difficult, and we will do what we can to support you as you navigate the medical payment system. We offer this guidance because we want you to be able to obtain the care you need while minimizing cost, confusion and complexity.