Advocate Now BCBSM PPO: Limited Licensed Mental Health Providers

The Blue Care Network (BCN) is Blue Cross Blue Shield of Michigan's HMO, and it has historically not covered services when provided by counselors, social workers, marriage and family therapists, and psychologists who are interns or have graduated and are working to become independently licensed in their profession.

Those affected are Blue Cross Blue Shield of Michigan (BCBSM) members with a Preferred Provider Organization (PPO) plan. Historically, the PPO plan has covered services when provided by counselors, social workers, marriage and family therapists, and psychologists who are interns or have completed their graduation requirements and are now working to gain independent licensure.

If you're a BCBS member in Michigan, you need to look at your insurance card to see if you're on the PPO plan or the HMO plan.

Let's talk about the difference between a PPO plan and an HMO plan.

Feature	PPO	HMO
Primary Care Physician Required	**Usually No**	Usually Yes
Specialist Referral Needed	**No**	Usually Yes
Out-of-Network Coverage	**Yes**	Generally No
Provider Flexibility	**High**	Limited
Monthly Premiums	**Higher**	Lower
Deductibles	**Higher**	Lower
Administrative Complexity	**Moderate**	Lower
Care Coordination	**Less Structured**	Highly Coordinated
Specialist Access	**Direct**	Referral Based
Best For	**Flexibility**	Cost Savings

There are reasons employers offer various plans to their employees, and reasons employees choose one plan over another. For HMO plans, you've got to go through a primary care physician for any treatment, including seeing a specialist. With HMO plans, there's no out-of-network coverage, and you have extremely limited providers that you're allowed to see, but for that, your monthly premiums are a lot lower, and your deductibles are lower. Administrative complexity is lower because everything goes through the HMO primary care physician. The care coordination is then highly coordinated. HMO plans save individuals and their employers a lot of money.

With the PPO option, you don't have to go through your primary care physician to get treatment, and you don't need a specialist referral from the primary care physician. The PPO option provides out-of-network coverage, and you have many more providers to choose from. However, you pay for that because your monthly premiums and deductibles are higher. There's more administrative complexity because you don't have everything going

through one primary care physician. Therefore, care coordination is less structured, but you have direct access to specialists and a ton of flexibility. You and your employer have paid a good amount of money to be part of the PPO plan. It is part of the contract between what BCBSM promised you as part of the PPO plan and what you've paid for.

So what exactly has changed? Well, in very early June of 2026, suddenly BCBSM announced that they would no longer cover services for the PPO plan when treatment is provided by counselors, social workers, marriage, family therapists, and psychologists who are interns, meaning they're a part of their graduate program in all of these professions to begin to have contact and directly work with clients as well as individuals who have completely graduated and are working towards independent licensure through something called *incident-to billing* in private practice settings.

Individuals who are either interns or have graduated and are working toward independent licensure must accrue hours under supervision to become independently licensed.

What's been taken away is the ability for interns and individuals who have graduated and are working toward independent licensure to serve as treatment providers through BCBSM's PPO system.

In all of these mental health professions (counselors, marriage couple and family therapists, social workers, and psychologists), the supervisor not only provides guidance to the supervisee but also has legal and ethical responsibilities for the patient that the supervisee is treating. There's a direct connection between the supervisor and the patient through the supervisee. As such, it's been common practice for the supervisor to bill for the counseling services provided to the patient by the mental health practitioner working toward independent licensure. Historically, this occurred through BCBSM PPO through incident-to billing.

So why exactly does BCBSM claim that they're doing this? Well, they say

1. it's to *strengthen their ability to identify rendering providers.*

2. it's to *improve oversight of quality of care.*

3. it's to *ensure reimbursement is appropriately aligned with provider licensure and participation status with BCBSM and BCN* in Michigan (the HMO option)

The problem is that BCBSM is going to drastically reduce the mental health treatment providers in Michigan. BCBSM has created this "problem." They could do several things to solve the problem they have created that would not reduce the number of mental health treatment providers in Michigan.

So let's take these things point by point.

1. BCBSM claims this change is "to strengthen their ability to identify rendering providers."

Currently, BCBSM is choosing not to allow interns and limited-licensed mental health practitioners to be paneled directly through its PPO plan. Currently, all interns and limited-licensed mental health practitioners can apply for an NPI number, which is an identification number that links to a single person. If BCBSM allowed these individuals to be directly paneled with them, then BCBSM would know exactly who was directly providing mental health treatment to the client. So, there's an easy solution there.

The reality is that BCBSM is willfully cutting off access to over 10,000 limited licensed mental health practitioners in Michigan.

2. BCBSM claims that they want to "improve oversight of quality of care." BCBSM claims that they'll do this by no longer reimbursing interns and individuals who have graduated and are working toward individual licensure for doing that work in private practice settings. However, BCBSM does not determine how any of those professions supervise their members working towards their independent licensure. That is set by the ethical codes for each of those professions, as well as Michigan state law rules and codes for all of those professions, and then by each one individually.

The reality is that even if BCBSM makes this change, all supervision requirements for a Limited Licensed Professional Counselor remain exactly the same whether the supervisee works in a hospital or a private practice setting. BCBSM doesn't get to set these rules and regulations. So even if BCBSM makes the change, the supervision requirements for each of those four professions will remain the same.

What changes is that there are far fewer places where you can get mental health treatment. That means you'll have longer wait times for treatment, and you'll have to travel farther to receive it if you're on BCBSM's PPO plans.

Ultimately, BCBSM is willfully making it harder for rural and underserved populations to receive care and for longer wait times for mental health treatment for everyone who's in their PPO plan in Michigan.

3. BCBSM claims that they want to "ensure reimbursement is appropriately aligned with provider licensure and participation status with Blue Cross PPO and BCN." Once again, they keep aligning their PPO to be equitable with their HMO.

What this comes down to is that they don't want to pay the supervisor, who has legal and ethical responsibilities for the patient the supervisee is treating, and who is also furthering the supervisee's training through extensive consultation with the supervisee.

BCBSM wants to pay the lowest rate possible that they can, and they want to make it harder for patients on the PPO plans to get a mental health counseling appointment. **So here, BCBSM is willfully cutting off the pipeline of licensed mental health practitioners that Michigan will have in the future.**

BCBSM is making some significantly flippant suggestions about how to negotiate all this. They flippantly state that a private practice can convert to an Outpatient Psychiatric Care Facility (OPCF) if it wants to bill for interns and graduates working toward independent licensure. However, BCBSM requires an OPCF to have a board-certified or board-eligible psychiatrist on staff. The problem is that in 2026, Michigan is 880 psychiatrists short per the National Center for Health Workforce Analysis (NCHWA). We've got many counties in Michigan that don't even have a psychiatrist. So, we don't have enough psychiatrists to go around to suddenly create more OPCFs.

Additionally, OPCFs must have a psychologist and a licensed master's level social worker on staff. And the problem is that most of our private practices have just a couple of providers, and it's not feasible for them to hire new staff from all these various professions. Additionally, to become an OPCF, a private practice must spend 3 to 4 years in full accreditation with TJC, AOA, COA, CARF, NCQA, or MDHHS. Further, those

facilities must have emergency services available 24 hours a day. That's just not financially feasible. The idea that we can convert all the private practices in the state of Michigan to this type of organization is honestly just laughable.

Even the Michigan Department of Health and Human Services (MDHHS) has said it's tried to convert some of its facilities into OPCFs through Blue Cross Blue Shield of Michigan, but BCBSM kept moving the goalposts. So if MDHHS can't convert some of their existing facilities into an OPCF, there's absolutely no way that a mental health private practice can convert to this. And even if they attempt it, the number of years just to ramp up to what's being suggested, much less wait 3 to 4 years to be fully accredited by one of these organizations, is an impossible task.

Additionally, Blue Cross Blue Shield of Michigan flippantly states that all interns and individuals who have graduated and are working toward independent licensure can simply go to work at a hospital, an outpatient psychiatric care facility, or an MDHHS community mental health facility.

But let's look at how many limited licensed providers we have in Michigan.
7,296 Social Workers
2,471 Counselors
489 Psychologists
144 Marriage and Family Therapists
10,400 Total

And that's not even talking about the folks who are doing practicums and internships that are inside of their graduate programs. And while some of those folks are working in hospitals, OPCF, and MDHHS community mental health facilities, the majority are not. In talking with MDHHS, they can't accommodate all of these people. So again, this is also impossible.

What's really troubling here is that there are several ways BCBSM PPO could solve the "problem" they themselves created without reducing the number of mental health treatment providers. I'm just going to list a couple. First, as I've mentioned, interns and limited licensed mental health practitioners can apply for an NPI number. And if BCBSM would allow them to be paneled directly with them, they could bill directly, and BCBSM would know exactly who is providing mental health treatment to the client.

However, if BCBSM takes this route, they'll pay the limited-licensed provider much less for seeing a client, and then they'll force supervisors to charge supervisees for supervision directly. The supervisee is getting less money, and they'll have to pay out of pocket for their own supervision. It'll be a difficult hardship for the supervisee.

Blue Cross Blue Shield of Illinois (BCBSI) is taking a very different track. They are recognizing the current and upcoming shortage of mental health treatment providers. They're allowing covered services rendered by the supervisee to be billed under the supervising licensed clinician's NPI (National Provider Identifier). BCBSI requires that the supervisor be available 100% of the time to the supervisee, enabling the supervisor to provide direction and intervene in the event of an emergency. Supervisors may supervise a maximum of 4 trainees at a time. BCBSI stipulates that the supervisee must receive the required minimum individual safe face-to-face supervision and compliance with Illinois state licensure requirements specific to the trainee's level of licensure.

So BCBSI is deferring, as they should, to Illinois state law for those professions, and they stipulate that supervisors and supervisees should work within the same organization or system. BCBSI also has a rule that the supervisee doesn't make a direct payment to the supervisor for supervision while they're pursuing their clinical hours for state licensure. Clearly, BCBSI recognizes the importance of the supervisory relationship and the ethical, legal, and consulting responsibilities of that supervisor to the supervisee.

Clearly, there are many other ways BCBSM could be handling this, and it's very telling that they are not.

Let's look at mental health provider shortages in Michigan. Per NCHWA, in 2026, Michigan is already short of 2,170 mental health counselors and 1,410 psychologists. Despite that, BCBSM says many of the 10,000 people eligible to be treatment providers in Michigan who work in private practice settings are no longer eligible to see BCBSM PPO patients. That's going to make those numbers feel much larger in 2027. Further, NCHWA Michigan projections for 2036 indicate shortages of 4,070 mental health counselors and 3,820 psychologists. Sadly, NCHWA didn't have Michigan-specific data for social workers and marriage and family therapists. However, we will see a shortage in those professions as well.

The challenge is that if supervisors in private practice settings aren't willing to take on supervisees, the entire pipeline of incoming counselors, social workers, marriage and family therapists, and psychologists nearly shuts down.

If we look at NCHWA's mental health care provider shortages across the entire US in 2038, you can see that we're going to be short almost 100,000 psychologists, 100,000 counselors, nearly 34,000 marriage couple and family therapists, and nearly 28,000 social workers.

Profession	Shortage by 2038 in the US
Psychologists	-99,840
Mental Health Counselors	-99,780
Marriage and Family Therapists	-33,840
Social Workers	-27,640

The problem is that if students don't see a pathway in graduate school to secure internship sites, then graduate, and earn their hours to get independently licensed in a way that they can earn a living, the shortages are going to go up exponentially in 2038.

So, why did I say at the beginning that this is a breach of contract?

If BCBSM PPO is your plan, remember that you paid both more in premiums and deductibles so that you could access not having to coordinate everything through your primary care physician, not needing a referral to see a specialist, a greater number of providers, less structured care coordination, direct specialist access, and much higher overall flexibility to meet your healthcare needs.

BCBSM PPO is now doing the same thing as their HMO with your mental health treatment providers, but the reality is you paid them for more access, not less, and that's where the breach of contract comes into play.

Created by Stephanie T. Burns, Ph.D., LPC, NCC
Find advocacy videos, templates and scripts at www.stephanietburns.com/bcbsm

Six things that you must do!

You can find templates to help you write or call to advocate for the first 5 items listed at www.stephanietburns.com/bcbsm

1. The first thing to do is contact your Michigan House of Representatives member and complain that BCBSM PPO coverage is acting like HMO coverage and will cause thousands of Michigan interns and limited licensed mental health providers to lose their clients as well as their jobs. Tell them if you are under threat of losing your job or if clients are not going to be able to see you and the impact this will have on both of you. You can find your Representative's information at https://www.house.mi.gov/#findarepresentative

2. The second thing to do is to contact your Michigan Senator and complain that BCBSM PPO coverage is acting like HMO coverage and will cause thousands of Michigan interns and limited licensed mental health providers to lose their clients as well as their jobs. Tell them if you are under threat of losing your job or if clients are not going to be able to see you and the impact this will have on both of you. You can find your Senator's information at https://www.senate.michigan.gov/

3. The third thing you must do is to contact the entire Michigan House Health Policy Committee and complain that BCBSM PPO coverage is acting like HMO coverage and will cause thousands of Michigan interns and limited licensed mental health providers to lose their clients as well as their jobs. Tell them if you are under threat of losing your job or if clients are not going to be able to see you and the impact this will have on both of you. You can find Michigan House Health Policy Committee Member's information at https://www.house.mi.gov/Committee/HHEAL

4. The fourth thing to do is to contact the entire Michigan Senate Finance, Insurance, and Consumer Protection Committee and complain that BCBSM PPO coverage is acting like HMO coverage and will cause thousands of Michigan interns and limited licensed mental health providers to lose their clients as well as their jobs. Tell them if you are under threat of losing your job or if clients are not going to be able to see you and the impact this will have on both of you. You can find Michigan Senate Finance, Insurance, and Consumer Protection Committee Member's information at https://www.senate.michigan.gov/information/committees/all-committees/2025-2026/finance-insurance-and-consumer-protection

When it comes to House and Senate members, if you flood their phone lines and emails with complaints, they will need to listen. But the one thing we also need to be mindful of is that, because BCBSM is the biggest HMO and PPO provider in the state of Michigan, they fund many campaigns for Michigan Senate and House members. So, we also want to be mindful, and it's helpful when we're pushing back to ask members to hold BCBSM accountable.

5. The fifth thing to do is to contact Michigan's Governor Gretchen Whitmer and complain that BCBSM PPO coverage is acting like HMO coverage and will cause thousands of Michigan interns and limited licensed mental health providers to lose their clients as well as their jobs. Tell them if you are under threat of losing your job or if clients are not going to be able to see you and the impact this will have on both of you. You can find Governor Gretchen Whitmer's contact information at https://somgovweb.state.mi.us/ContactGovernor

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6. Now, there is a sixth thing you can do, but I do want to say to *please be mindful of the amount of personal information you share on social media about you or your clients*! You can post on all your social media outlets that BCBSM PPO coverage is acting like HMO coverage and will cause thousands of Michigan interns and limited licensed mental health providers to lose their clients as well as their jobs. Tell them if you are under threat of losing your job or if clients are not going to be able to see you and the impact this will have on both of you in a way that **manages the personal information that you share, especially about your clients**.

So, what exactly do you want to say?

1. BCBSM offered PPO coverage that people paid for, yet they will be getting HMO coverage for mental health treatment, which is a breach of contract.

2. Complain treatment providers and their clients will no longer be covered by BCBSM's PPO.

3. Complain that BCBSM is drastically reducing the number of mental health treatment providers in MI for 2027.

4. Complain that BCBSM is destroying the pipeline of new mental health treatment providers for MI when we already have too few mental health treatment providers in MI5.

5. The fact that it's very confusing that we have Blue Cross Blue Shield in other states actually recognizing the importance of what the supervisor offers the supervise as well as trying to protect the pipeline of incoming mental health treatment providers in states like Illinois that are attempting to bridge that gap while here in Michigan, our Blue Cross Blue Shield is actually completely decimating not only current mental health treatment providers, but also significantly impacting the pipeline that will allow us to have providers in the future.

So, thanks so much for reading. I really hope you'll take on some advocacy efforts, because unless we make some noise, BCBSM will go ahead with this very, very detrimental policy.

You can watch a video explaining all of this at https://youtu.be/Z8I2TNwpIts

You can find a 7-page PDF of all of this information, a 2-page short PDF of this information, and advocacy templates and scripts at https://www.stephanietburns.com/bcbsm

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