

Eli's Rehab Report

Know the Facts: Get the Lowdown on Per-Visit Fees -- and How to Voice Your Opinion

Some states are seeing reimbursement as low as \$35 per visit

You may have heard about -- or recently experienced the effects of -- a flat per-visit reimbursement for your therapy services. Providers who have contracts with United Health Group company ACN (American Chiropractic Network) are bracing for this payer's new per-diem fee schedules.

The problem: A flat per-visit reimbursement does not take into account the range of skill or the time needed with individual patients. And in some states, such as Florida, ACN's reimbursement is as low as \$35 per visit, says **Lynn Steffes, PT**, president of Steffes and Associates, a consulting firm in New Berlin, Wis.

Many therapists are voicing their concern to ACN, for fear that their practices will lose significant money -- and their patients feel the effects of diminished care. But if you want to influence a policy change, make sure you're aware of the best arguments -- and of the people who will go to bat for you.

Step 1: Know the Basics

The more you know before you contact ACN, the less time you'll waste addressing irrelevant questions that veer from the heart of the problem. TCI did some of the homework for you to get you started:

Who's affected: "ACN Group contracts with freestanding outpatient physical therapy clinics [nationwide] that are not affiliated with a hospital," **Ann Fleischauer**, spokeswoman for United Health Group and ACN, tells TCI.

What's covered: The per-diem rate generally includes professional fees, supplies and durable medical equipment that are not fabricated or customized, Fleischauer says.

When it starts: ACN will introduce the new fee schedules to its providers throughout 2007, but "it's worth noting that physical therapists in several markets have been reimbursed on a per-diem basis for many years," Fleischauer says.

Where you should send letters: ACN encourages your feedback and asks that you send your letters to Dave Elton, senior vice president of clinical programs, ACN Group, 6300 Olson Memorial Highway, Golden Valley, MN 55427.

Step 2: Use These Key Arguments

You could probably go on for pages about why per-visit reimbursement is bad for you and your patients, but you'll get more attention if you keep it short and sweet. So pack your argument with punch on these three key points.

1. ACN could lose a provider. Facing per-visit reimbursement as low as \$35 could put you out of business. In its currently undefined state, "visit" could mean anything from five to 90 minutes, which leaves you hanging over how much you can make and still stay in business, says **Ken Maily, PT**, with Maily and Inglett Consulting in Wayne, N.J. If your visits are always short and plentiful, you could be in the clear, but more realistically, "if a 'visit' is 45 minutes with a patient at \$35, that's terrible reimbursement," Maily adds. "And you can't simply make this up in terms of greater

volume per hour," nor can you extend your treatment day without increasing your costs, he says.

2. Patients face less care. Many facilities will be forced to squeeze in more visits to stay in business, which means many patients will receive less care than they need. And some facilities may be tempted to have staff other than qualified professionals treat the patients to fit in more visits, Steffes says.

Reality: Per-visit reimbursement "is a direct parallel to the Medicare caps," Maily says, which is on the radar regarding patient care. The facts: \$1,780 per year may be enough to treat some Medicare patients, but certainly not all. Likewise, \$35, for example, may be enough money to cover one patient encounter that day, but not all, Maily says.

3. United Health Group could lose money. ACN is already known for "aggressively managing number of visits and requiring additional paperwork," Steffes says. On top of this, per-visit reimbursement can force therapists, from a business standpoint, to limit the amount of therapy and patient education the patient needs to get better and stay better. The result: Patients will end up admitting themselves to a hospital or an out-of-network provider for more care -- which will ultimately cost United Health Group more money, Steffes says.

Tip: There's no greater incentive than a dollar sign. So to prove your point, measure your patients' functional outcomes at admission and discharge -- then see if patients visit a similar provider or hospital for more rehab care in the following three to six months, Steffes says.

Step 3: CC Your Letter to Other Influentials

The cold hard truth is you can't force an insurance company to change a policy no matter how many letters you write. But you can and should alert organizations that do have authority over payers because every entity is subject to some type of regulation, Maily says.

Example: "In New Jersey, ACN is certified as an organized delivery system, so I would copy my correspondence to the agency that is responsible for organized delivery systems [the New Jersey Department of Banking and Insurance]," Maily says.

Other states might have an insurance commissioner or even politicians interested in matters like this, Maily says, noting that they would be especially interested in how the new fee schedules affect patient -- that is, in the case of politicians, their constituents' -- rights.

And don't forget to inform the patients themselves. They have the strongest voice because they are the ultimate recipients of care.

Note: Check out the next issue of Physical Medicine & Rehab Coding Alert for more on the effects of per-diem reimbursement.