

## Eli's Rehab Report

### Outpatient Outlook: PT Self-Referral in the Hot Seat Once Again

**New study exposes unsettling trends in outcomes and expenditures.**

If you've been in the PT community long enough, you're familiar with the growing dissent over self-referring providers (physicians who refer their patients to a PT business with which they have a financial relationship). The **Government Accountability Office** (GAO) has conducted broader studies on PT self-referral with unremarkable findings, but the topic got more attention last month after more targeted research zeroed in on 158,151 low back pain episodes in private health insurance claims records for nonelderly individuals.

**The study:** Funded by the **Foundation for Physical Therapy** and the **National Institute on Aging**, Physician Self-Referral of Physical Therapy Services for Patients with Low Back Pain: Implications for Use, Types of Treatments Received and Expenditures, published by the **Forum for Health Economics and Policy**, told it all.

According to the **American Physical Therapy Association** (APTA), key points from the study included:

1. Self-referring physicians refer more patients to physical therapy for low back pain;
2. However, these patients received fewer visits per episode.
3. Fewer visits should save healthcare expenditures, right? Wrong: because the visits cost significantly more than non-self-referring providers □ almost 50 percent more than those of non-self-referring providers.

#### **Active vs. Passive Modalities = Biggest Arguing Point**

In the study, patients who saw self-referred providers received more passive treatment (e.g., hot and cold packs, mechanical traction, ultrasound, electrical stimulation, etc.) than hands-on, active therapy. This fact only adds fuel to the fire of the lower outcome findings because passive treatments have been proven to be less effective for low back pain treatment. In addition, a person who is not a licensed physical therapist can do most of these passive modalities ... and at a lower cost to insurance.

"According to the authors, that there are several more visits per patient when treated by non-self-referring physical therapists is consistent with the finding that these physical therapists use significantly more evidence-based active interventions with their patients," says **Anita Bemis-Dougherty**, APTA's vice president of practice. "Patient involvement in their low back pain care requires more time than passive treatments, which was the pattern of care for self-referred physical therapy."

Researchers found that non-self-referred episodes of care were far more likely, (52 percent as opposed to 36 percent for self-referrers), to provide active physical therapist services. This, according to the study's authors, suggests that non-self-referred episodes of care are more tailored to promote patient independence and a return to performing routine activities without pain, noted an APTA press release on the study.

#### **Time Is Ripe for Policy Change**

"The results of this study further confirm what APTA has firmly believed for years now," said APTA President **Sharon L. Dunn, PT, PhD, OCS**. "Referral for profit leads to health care practices that benefit the provider and remove the focus from where it should be □ the patient."

Currently, Stark Law prohibits self-referring under Medicare for in-office ancillary services; however, physical therapy is considered an exception, and APTA has been working on changing that for quite some time.

"Eliminating physical therapy from the self-referral loophole requires congressional action," says **Mandy Frohlich**, APTA's vice president of strategic communications and alliances. However, it's becoming harder for opposition to defend this loophole "as the mountain of evidence that financial incentives drive referrals continues to grow," Frohlich says. "We know Congress is concerned with abuse in Medicare, and this is a great example of where Congress can act to maintain the integrity of the Medicare system."