

Eli's Rehab Report

STATE CORNER ~ Take Note: NJ's Revolutionary Bill Could Help PTs

Find out how auto insurance policies could tie into PT reimbursement

You might laugh at the notion of creating -- let alone introducing -- a bill in your state assembly that would mandate a minimum amount insurance companies could pay you for your services. But a group of physical therapists with the help of legal counsel and lobbying did it -- in less than six months.

The New Jersey Society of Independent Physical Therapists (NJSIPT) created such a bill (A3790) that's now sitting in the New Jersey State Assembly -- and you might be able to pass some of its wisdom to your state.

New Jersey PIP Fee Schedule Would Expand to All Payers

Although the bill suggests solutions to several different problems haunting physical therapists today, perhaps the most revolutionary change it proposes is the reimbursement system under which PTs are paid -- the same way auto insurance pays.

How it works: If you're involved in an auto accident, the insurance that pays for your outpatient physical therapy is your personal injury protection (PIP) benefits, says **David Barmak, Esq.**, legal counsel for NJSIPT and a healthcare attorney for the Law Offices of David S. Barmak LLC in Skillman, N.J. "But if you injure yourself playing basketball, for example, other commercial health insurance may cover the outpatient physical therapy you'd receive for that injury," he says.

The proposal: Bill A3790 proposes that physical therapy benefits in New Jersey should be reimbursed on the same fee schedule as PIP benefits. And the good news is that the state mandates a minimum payment for PIP benefits. So if the state assembly passes this legislation and the governor signs it, "the statute would require health insurance companies to pay no less than what the state has decided is appropriate for PIP benefits," Barmak says.

Even better, the mandated fees under New Jersey PIP benefits are much higher than most other commercial health insurance plans -- on average almost one and a half times the Medicare fee schedule.

The Authorization Process Would See Major Reforms

Another revolutionary change in this bill is that a payer would determine coverage for physical therapy services by medical necessity -- not an arbitrary financial limit. **The problem:** Most payers authorize only a portion of the care a therapist requests, says **Mark Schwall, PT**, president of NJSIPT and owner of Future Physical Therapy PC in Toms River, N.J.

Example: A therapist determines that 12 visits are medically necessary, but the payer only approves six. After the therapist completes those six visits, she requests another six visits, and the payer approves three. "This goes on and on until usually the original 12 visits the therapist requested are approved by the payer," Schwall says, adding that this authorization rollercoaster is not only a financial disadvantage for the patient but a potential therapeutic disadvantage because it disrupts the continuity of care.

The argument: A3790 suggests that by authorizing less than the plan of care spells out, "the insurance company is ultimately challenging the plan of care, which is actually a passive accusation of professional misconduct because the payers are basically accusing the therapist of requesting a service that's not medically necessary," Schwall says.

Think of it this way: "Authorizing only portions or fractions of the amount of requested therapy is analogous to authorizing the removal of only a portion of an inflamed appendix, which is clearly absurd," says **Ken Maily, PT**, of Maily and Inglett Consulting in Wayne, N.J.

The solution: The bill requires that if the payer challenges the POC, then the payer must pay for an independent patient examination by a New Jersey licensed physical therapist, Maily says. Then, if the treating therapist disagrees with the findings of the independent examination, he has the sole right to appeal to the Board of PT, he adds. The good news: This right applies to any decision to reduce, delay or deny any reimbursement claim or authorization request.

Your Turn: Get Active in Your State

This bill in New Jersey is not something out of reach in your own backyard. "When you combine a physical therapy, legal and lobbyist perspective, that's a very powerful combination," Barmak says, in reference to the newly formed NJSIPT that was responsible for introducing A3790. "Our company [NJSIPT] has only been around for a few months, and we have succeeded in moving this forward within an industry where others would have said, 'Forget it.' "

Takeaway: Don't "forget it." Take this story to heart, and get the ball rolling in your state. For more information on forming an independent state society, see Eli's Rehab Report, Vol. 13 No. 19, page 148.

Note: For practice-related questions or information about the status of the bill, please contact **Mark Schwall, PT**, at mschwall@comcast.net, or **Ken Maily, PT**, at khmailly@optonline.net. If you'd like to know more legal details of the bill, please contact **David Barmak, Esq.**, at david@barmak.com.