

Eli's Rehab Report

Strict Rules Apply When Employing a Physical Therapist

Having a physical therapist (PT) as part of your physical medicine and rehabilitation (PM&R) practice is a convenience for you so you can exercise more control over the treatment plan and your patients, who can stay in the same office for physical therapy. Many practices are receiving conflicting advice regarding coding the therapists services with their personal I.D. numbers or using the doctors personal identification number (PIN) as incident to. Cautious practices bill the physical therapists care under the physical therapists own I.D number.

Team Approach Becoming More Common

Because many PM&R patients require physical therapy, physiatrists find it advantageous to have PTs on staff. **Jim Nugent**, director of reimbursement for the American Physical Therapy Association (APTA), says that APTA doesnt compile data on the exact number of physical therapists who are employed by physician practices. But Nugent suspects that more physical therapists may be looking for employment from physicians because the impact of the Balanced Budget Act has changed the marketplace. As some skilled nursing facilities close, more physical therapists are going to be looking for jobs.

Understanding State Licensing Issues

The first thing to note is that there are scope of practice and licensing issues that will have to be evaluated in each state where a physical therapist practices, says **Michael D. Miscoe**, president of Practice Masters Inc., a Central City, Pa., billing, coding and reimbursement consulting firm that consults only with physical medicine providers. There is no national licensure that decides which codes physical therapists can and cant perform, so you have to find out what your state requires.

For example, says Miscoe, PTs arent normally licensed to perform standard evaluation and management (E/M) visits ([CPT 99201 - 99215](#)). Because chiropractic manipulative treatments (CMT) (98940-98943) include an E/M preassessment portion, physical therapists cant bill using the CMT codes. However, says Miscoe, In states where physical therapists are licensed to perform manipulation, they can bill for it using 97140 (manual therapy techniques [e.g., mobilization/manipulation, manual lymphatic drainage, manual traction], one or more regions, each 15 minutes) instead of the chiropractors codes.

Miscoe also points out that PTs are not limited to billing only the services listed in the physical medicine section of CPT. Again, it depends on state licensing requirements, but normally PTs can bill for medically necessary services outside of the 97000-range of codes. For example, a physical therapist may perform muscle testing in the hand ([CPT 95832](#)) for a patient with carpal tunnel syndrome (354.0), or a swallowing evaluation (92525) for a patient rehabilitating from a stroke (436) before establishing a plan of care.

Physical Therapists Coding Structure

Although many practices code a physical therapists services under the doctors identification number, that may not be the most cost-effective or cautious route. Miscoe explains that, depending on the state requirements, coding the PTs services incident to the physicians PIN is not correct. In addition, many times this coding process may send a red flag to the insurer.

For example, if a practice codes the physical therapists evaluation (97001) under the physicians PIN as incident to, the insurer certainly would pause before paying the claim, says **Ron Nelson, PA-C**, president of Health Services Associates, a healthcare consulting firm in Freemont, Mich. You cant code a PT evaluation under the physicians code because

physicians don't do PT evaluations. They perform E/M services, which are coded under their own E/M codes.

In fact, the physical therapy evaluation, which normally pays between \$60 and \$70, returns higher payments than billing for a doctor's E/M services, which pays about \$30 to \$40 for 99212. The PT and the physician are in two different fields requiring separate areas of expertise, and there are CPT codes established for evaluations by both of these practitioners, says **Bill Davies**, president of Medical Insurance Transmissions, a billing firm in Alpharetta, Ga., specializing in physical therapy claims.

Coding physical therapy services under the physician's number is an attempt to get extra money that really wasn't set up for that purpose, says Davies. This probably would not stand up to the requirements set up during an audit.

Miscoe agrees. If you have two licensed providers in the practice, why add liability to the situation by coding everything under the physician's ID number? A physical therapy evaluation is a physical therapy evaluation, not an E/M service, and that's how it should be coded.

Coding for Plan of Care Requirements

As most practices know, the referring physician must sign off on the patient's therapy treatment plan, which must be on record and reviewed and signed by the physician every 30 days. If the physician employs the physical therapist, the PT could do the physical therapy evaluation and write up a treatment plan, then submit it to the physician for review and approval, says Miscoe. In a multidisciplinary practice, it's expected that the two clinicians will work together, so the PT can recommend a course of care and discuss it with the physician. But the physician should know that he or she is ultimately responsible for ordering and evaluating the necessity and efficacy of care, so he or she should definitely stay involved.

The physician will see the patient on occasion to make sure everything's going the way it's supposed to, says Davies. He would bill for that service using the established E/M codes. If a PT does a physical therapy re-evaluation, that would be billed using 97002.

Hiring a PT Can Be Cost-effective

Miscoe says that moving therapists into private physician practices can be tremendously helpful to the patient and the practice. On-site physician presence and an interdisciplinary approach has the potential of being more cost-effective due to more timely treatment modification when the ordered treatment is not working as expected, says Miscoe. When a patient is referred out, treatment is less likely to be modified until the next scheduled doctor visit, which generally occurs every 30 days.

Nugent advises that physicians who employ physical therapists should be careful not to violate federal rules against self-referrals for profit. He says that APTA frowns on doctors who refer patients to their own PT for the sole purpose of increasing profits. I can understand that an on-site PT is going to be more convenient for the patient and allow the doctor more control over treatment. But the doctor should ask, Is this arrangement for the benefit of the patient or the doctor?

Note: This article is the third in our series examining how to organize the billing process when a practice employs or outsources practitioners other than physicians (MDs and DOs), such as chiropractors, physical therapists and occupational therapists.