

copy for PPSIG

Jill

Thanks for carrying the torch this weekend at PPSIG. Here is my recap:

My focus has been relationship development with the local insurance companies Regence, Premera, and the local pricing network, FirstChoice. I have met with all 3 and established an agreement to continue meeting on a quarterly basis. I have provided data showing pricing practices toward Physical Therapy that have not been at parity with other healthcare disciplines. I have discussed their reimbursement rate increases of plus 5 to 8% since 2001 for PT in relation to a CPI of plus 22% since 2001, and the Physician rate increases of plus 30 to 40% since 2001.

What I have learned is;

1. **FirstChoice** matches pricing with Regence and Premera. FC is about 8% less than Regence at this time. I do expect an increase from FC mid year 2009 but I can't promise until it is writing. I would not spend a lot of time with FC, focus on Regence and Premera. If you have issues with FC payers remember your contract is with FC so contact them first. The payers using the FC pricing must follow the FC contract.

2. **Regence** is about 3% higher than Premera and has had a cumulative 7.8% increase since 2001. Regence will be reviewing their data for 2008 to determine if they will reopen their network in 2009 similar to what was done in October 2007. It is extremely important to let Regence know if you have PT's that you want included in the Network but you must request reimbursement parity with other healthcare providers every time you mention access. Never, ever, ever, never, mention access without parity in the same sentence! Regence needs to here from all providers. For most practices they are too large a contract to terminate and so they are single handedly driving down the market in Washington and PT's have let them do it. Be persistent but respectful.

3. **Premera** is basically the same as Regence except their reimbursement has increased only 5.8% since 2001. They are too large to terminate for most and they are only moved by respectful persistence and a strong message demanding parity with other healthcare disciplines. (I actually read a quote from a Premera official acknowledging that rates for Proliance Physicians had increased by 40% over other healthcare disciplines which is why they drew a line in the sand.) I believe they are aware of our plight but respectful persistence is needed from PT's.

4. **Aetna** has decreased their reimbursement to most providers by about 16% effective 1-1-09. It is now lower than either Regence or Premera. I have been working with them to establish a utilization management system similar to Qualis. Currently they review all charts at visit 16-20. If you continue to treat while they review, you risk denial of visits and your contract does not allow you to bill the patient unless a specific financial responsibility form has been signed in advance. A financial responsibility statement at the start of treatment will not suffice.

5. I have worked with many of the **national PPO's** (Pricing only Networks) but there is only one way to deal with these. Pick one or at the most 2 and get rid of the rest. Choose the one that will give you a good price, represents you accurately on their website, does not discount MVA or self insured workers comp, and minimizes billing headaches. Most of the national PPO's have agreements between themselves that give you access to lots of patients just by joining one. Most of these National PPO's have a variety of fee schedules anything from 70% of Medicare to 150% of Medicare rates. You want to negotiate hard and sell your value.

6. Avoid any temptations to discount with any network that discounts auto or workers comp. They cannot direct patients to you.

7. Take advantage of the **Med Advantage** plans. Some have their own Networks while others use any Medicare provider. You can Google to get a list of those that service Washington and call each one to see if they have a preferred panel or not. All pay the same as Medicare.

8. I have not had contact with **UHC** on behalf of PTWA but Pete Rigby has. He is sensing more interest from them to negotiate but publicly they state they are happy with their Network size in Washington even though it is pretty small. I recommend that you follow their out-of-network payments to be sure they are processed correctly. If you have a good contract with Multiplan or Three Rivers or First Health they will still discount your services that are out-of-network based on those agreements. If you have bad contracts, you need to be negotiating. If you have been paid incorrectly either as an in or out-of-network provider, seek settlement, or use the opportunity to negotiate future reimbursement at better rates.

*And soI ask each payer to look at their policy that does not increase
though the rising costs for all expenses most certainly has not ceased.
While appreciative of the information, all do agree,
that the Therapists seem quite happy with just the way things must be.
They sign every contract with out batting a lash,
and they never complain even when they will crash.*

Inspiration by Dr. Seus

Good Luck, Sorry I could not make it this weekend.

Larry