

Private Practice Section of the American Physical Therapy Association

Impact

NOVEMBER 2013



Demonstrate Your Value

Simple Statistics to Exhibit Your Worth in Industrial Consulting

p.20

- *Facilitate Stay-at-Work / Return-to-Work* p.14
- *How to Own Your Time!* p.26
- *Finding Your Sustained Competitive Advantage* p.30
- *Welcome to the Team!* p.36
- *Rehabilitating Athletes: Know Your Audience!* p.40
- *Using Employer-Directed Business to Grow* p.44
- *Keep Billing Processes In-House or Outsource?* p.48
- *Industrial Rehabilitation: State of the Union Address* p.52
- *Disruption as a Business Model* p.56

Payment Policy Committee Update Medicare Advantage Refunds

By Jim Hall, CPA

MANY PROVIDERS HAVE RECENTLY begun receiving refund requests from Medicare replacement plans. The refund requests are spanning all 2012 and 2013 dates of service. These replacement plans, or Medicare Advantage (MA) plans, have been paying providers at the Medicare fee schedule rates that were in effect at the time the patient received treatment. Unfortunately, the majority of these plans did not factor in the effect of the Medicare Multiple Procedure Payment Reduction (MPPR) when they made these payments. During 2012, the MPPR reduction was 20% for therapists in private practice and 25% for facilities, such as rehabilitation agencies. Effective April 1, 2013, the MPPR rate increased to a 50% reduction, regardless of provider setting, and the 2% sequestration was added, as well.

Because these MA plans are subject to these MPPR reductions, they in turn are looking to pass them along to providers. For those providers who are contracted at a rate that is different than the Medicare

Fee Schedule, you might be able to avoid any payback of these funds. (APTA has issued some pointers on this.) However, for providers paid at the fee schedule rate, these refunds are due, and the MA plans have a right to the refund. However, you should not assume that the refund request amounts are accurate. In a review for providers in Michigan and West Virginia, utilizing the Medicare Physician Fee Schedule Calculator available on the APTA website, the refund request for 2012 services was slightly higher than that indicated by the Physician Fee Schedule. While not a material amount, extrapolated over the entire provider population, I would anticipate funding quite a few insurance company executive bonuses! In a review of 2013 rates and refund requests, the MA plans appeared to be requesting for about 10%–15% more than was due. In all cases, the original MA plan payment materially matched the undiscounted fee schedule payment. In other words, the original undiscounted

payment appeared to be correct, but the refund request appeared to be computed incorrectly. In particular for the time frame of January 1 through March 31, the refund request appeared to be based upon the 25% facility rate as opposed to a 20% therapist in private practice rate.

In some cases, providers have set aside the amount they feel is due to be refunded, but are contesting the liability and waiting to receive a response from the MA plan. In the West Virginia case, the providers felt the refund amount was not worth contesting.

If you have received a refund request, examine it closely and utilize the fee schedule calculators available on the APTA website to determine the best course of action for your practice. ■

Jim Hall, CPA, is a member of the payment policy committee and general manager of Rehab Management Services in Cedar Rapids, Iowa. He can be reached at jhall@rehabmgmt.com.

ADMIN EDGE, continued from page 80

payment process by catching and correcting errors ahead of time to help avoid a lengthy appeals process for denied claims. In addition, since the liaison holds a full understanding of a claim's history, he or she may be the key contact to all involved in the payment process. Your collections team should feel confident to use the liaison as a resource, as well as a way to connect with the payer. Follow-up should continue until the claim is closed and payment has been fully received.

As you continue to define your practice as a destination center for the treatment

of the injured worker and increase your already-busy caseload, your clinic can greatly benefit from an internal industrial liaison. This individual can play a vital role in ongoing management of a worker's compensation claim, including networking with industrial and payer contacts through "make a friend" meetings, marketing the clinic's programs, gaining a full understanding for payer timelines and expectations, properly submitting documentation for authorization, and reviewing documentation and claims for billing errors. This individual can become your clinic's industrial support center, taking the stress off you and your therapists by managing all workers'

compensation cases from start to finish, and providing proper communication with all parties to assist in your patients' quick recovery and return to work. ■

Connie Ziccarelli is chair of the Administrator's Council and co-founder, principal, and chief operating officer of Rehab Management Solutions in Sturtevant, Wisconsin. She can be reached at cziccarelli@rehabmgtolutions.com. Larry Briand, PT, MS, ATC, is founder and chief executive officer, and Jodi Woodward is director of medical billing and reimbursement of Rehab Management Solutions.