

July, 2004

## Forging Ahead

**PREFERRED** Therapy Providers helps practice owners negotiate the contracting process.

By Tisha Nickenig

*Advance for Directors in Rehabilitation Magazine, April 2004*

When managed care changed the rehabilitation landscape, owners in private practice scrambled to adjust protocols and care delivery. It was a difficult struggle.

Learning to contract with managed care payors proved to be an even greater challenge.

"Many [therapists] signed agreements that weren't in their best interest," recalls Jaxene Hillebert. "They didn't have the time and knowledge base to go through the managed care contract process." As a result, many suffered financial losses.

As the marketing director for a large physical therapy practice, Hillebert witnessed practice owners making the same mistakes repeatedly. Clearly, they needed help navigating this unfamiliar terrain.

So in 1992, she founded the Phoenix-based **PREFERRED** Therapy Providers—a national network of 900 providers in 35 states—which helps practice owners negotiate the managed care process.

The company's main duty is to introduce managed care agreements, primarily those of preferred provider organizations (PPOs), to private practitioners. Therapists aren't bound to any contracts, explains Hillebert. But **PREFERRED** Therapy representatives offer them advice on the selection process.

While her company isn't necessarily the first to offer this type of service, Hillebert says, it's the first to reach a national network of providers. The company stands out in another way as well—PPOs have approved every practice submitted by **PREFERRED** Therapy Providers.

What's enabled the company to succeed where others have failed? Hillebert credits hard work and a willingness to listen to therapists' concerns and needs. Among those concerns are claims being delayed and/or paid incorrectly, the appeals process, marketing to referral sources, technology issues and most recently, HIPAA compliance and deadlines.

Fifteen years of experience in the industry helped as well. "I knew a great deal of people when I started," she recalls, "which is how I was able to move forward and attract small practices throughout the country."

Hillebert says an intelligent, hard working staff bolsters her company's success.

**PREFERRED**'s three senior staff members come from various backgrounds, which offer a wide range of perspectives to the contract process, explains Hillebert.

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# The Medicare Prescription Drug Act: Impact on Therapy Providers

By: Michael R. Costa, Esq., M.P.H.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was signed into law on Dec. 8, 2003. Also known as "MMA," the new law offers limited prescription drug coverage, adds new preventive benefits, waives a cap on physical and occupational therapy services, and promotes the role of "Medicare Advantage" health plans, also known as Medicare+Choice or Medicare HMOs. The long-awaited and historic changes to the Medicare system have supporters claiming it will allow the biggest improvements in senior health care in nearly 40 years, and provide seniors with prescription drug benefits and more choices in health care. Most importantly for beneficiaries and providers alike, the law provides immediate benefits to people in need of therapy services.

As most of the readers are aware, under the Medicare Part B Outpatient Rehabilitation Benefit, there is an annual \$1,500 cap on occupational therapy services, and a separate \$1,500 cap for physical therapy and speech language pathology combined. These caps do not affect hospital outpatient rehabilitation services. The caps were implemented as part of the Balanced Budget Act of 1997 (BBA) and are the only dollar limits on care in Medicare. The Medicare outpatient beneficiary caps on rehabilitation therapy took effect on September 1, 2003, after twice being placed under a moratorium by Congress since 1999. During this process, the cap was raised to \$1,590. These \$1,590 beneficiary caps on speech-language pathology and physical therapy care combined and occupational therapy would have made it very difficult for seniors to receive the appropriate care once they reached the monetary cap on their therapy services.

In late 2003, the Center for Medicare & Medicaid Services ("CMS") advised its contractors to delay implementation of the cap so they could better prepare providers to track claims under a new reimbursement methodology. This gave Congress an opportunity to extend the moratorium, which some members attempted to do, introducing potential legislation over the next six months. It wasn't until the introduction of MMA in December of 2003 that extended relief would be obtained.

Under the newly enacted Medicare law, the therapy cap moratorium that lapsed initially in 2003 is extended through December 31, 2005. The cap applies to the BBA provisions that limited to \$1590 per year per beneficiary non-hospital outpatient physical and speech-language pathology therapy services and to \$1590 for occupational therapy services. MMA also requires the Secretary of Health and Human Services ("HHS") to submit an overdue report by March 31, 2004 and the Comptroller General to undertake various studies allowing fee-for-service direct access Medicare beneficiaries without physician referral, to outpatient physical therapy services and those physical therapy services. MMA also prevents a proposed 4.5 percent cut in Medicare payments to physical therapists and other providers, and actually calls for a slight increase in those patients.

While the two-year moratorium on therapy caps is an important step in protecting this critical benefit, Congress must take action to prevent application of the cap in January 2006. Only through the hard fought efforts of the industry and beneficiary support can this be ensured.

**For more of this article, visit [www.preferredtherapy.com](http://www.preferredtherapy.com) and go to PREFERRED Network News.**

Look for **PREFERRED** at these upcoming events:

Florida Physical Therapy Association  
2004 Annual Conference  
Ponte Vedra Beach, FL  
August 13 -14, 2004

Texas Physical Therapy Association  
2004 Annual Conference  
Austin, TX  
October 7-10, 2004

Pennsylvania Physical Therapy Association  
2004 Annual Conference  
Harrisburg, PA  
October 15-17, 2004

California Physical Therapy Association  
2004 Annual Conference  
Anaheim, CA  
October 21-23, 2004

APTA Private Practice Section  
2004 Annual Conference  
Colorado Springs, CO  
November 3—6, 2004



## **PREFERRED** Vendor Update - Dynamic Learning

We caught up with Dynamic Learning Online course instructor Catherine C. Goodman, M.B.A., P.T. to talk about her essential new online course series, *Differential Diagnosis in Physical Therapy*.

### **Professor Goodman, what inspired you to write about *Differential Diagnosis*?**

"I started working on this topic back in the early 1980s when I taught clinical medicine at the University of Montana. At that time, our state PT Association introduced legislation to bring direct access to Montana. Having been trained in the military where therapists have the most unrestricted direct access, I knew our students were not going to be prepared to screen for medical disease with the course curriculum as it was."

### **What happened next?**

"Armed with handouts from the military, references from medical texts and my own experience, I compiled a booklet for the students and began to teach them what I knew about referred pain patterns and screening techniques. Over time, that booklet grew to more than 350 pages and eventually became the textbook *Differential Diagnosis in Physical Therapy* [now in its 3<sup>rd</sup> edition published by W. B. Saunders]. I've also been teaching this subject in live continuing education seminars across the country for the last 15 years."

### **Why is *Differential Diagnosis* essential knowledge for therapists?**

"As more states move toward direct access and primary care practice, physical therapists are increasingly becoming the first contact that patients seek, particularly for care of musculoskeletal dysfunction. This makes it critical for us to be well versed in determining when referral to a physician or other health care provider is necessary. Physical therapists must be able to identify signs and symptoms of systemic disease that can mimic neuromusculoskeletal dysfunction. The therapist must especially know how and what to look for to screen for cancer."

### **Who should take the *Differential Diagnosis* course series?**

"The course is designed and structured for the Physical Therapist following the APTA's *Guide to Physical Therapist Practice*. The main content is appropriate for Physical Therapist's Assistants and Occupational Therapists as well. It is written at the DPT/t-DPT level and also brings the practicing clinician up to date. The ten-part series is written sequentially, with each section building on previous course materials, although each part may also be taken as a stand-alone course. The courses feature Dynamic's enhanced look and feel with real-life case examples, interactive quizzes, pictures and graphics, links to helpful web sites, references and resources, and more!"

Visit Dynamic's web site at [www.dynamic-online.com](http://www.dynamic-online.com) or email [learning@dynamicgrp.com](mailto:learning@dynamicgrp.com) for more information about their exciting new *Differential Diagnosis in Physical Therapy* 10-part course series. Search the Course Library for the course entitled *Differential Diagnosis in Physical Therapy: 10-part Course Series Overview* for a complete description of this comprehensive series. Part One (Course #2051: *PT Screening and Diagnosis*) and Part Two (Course #2052: *Client History and Screening Interview*) are currently enrolling students. The remainder of the series will be released to students in the coming weeks. Contact us for details @ 888-338-3247 or visit [www.dynamic-online.com](http://www.dynamic-online.com).

## **PREFERRED** Employee Profile - Sandy Dodt

**Name:** Sandy Dodt

**Nickname:** "Mean Mama"

**Length of employment with  
*PREFERRED*:** 1 year

**Job title and responsibilities:**  
Operations Assistant. Tasks include accounts receivable, accounts payable, supplies and purchasing, vendor relations, rec credentialing and

human resource issues.

**What you like most about your job:** The variety of the tasks, the freedom to make decisions, interviewing potential employees, human resource issues, overseeing the financial side of the business, flexible hours and an excellent working environment.

**Favorite pastime:** Going out of town, shopping and decorating my home.

**About your family:** I have one son who is an architect designing model homes and one daughter who is a supervisor for 911 at the Phoenix Police Department. I have three grandkids, and one dog!

# **PREFERRED, APTA, and AOTA Join Heavy Hitters at AAPPO's Healthcare Industry Summit**

As part of **PREFERRED's** commitment of providing private practice therapists a voice and presence in the healthcare political arena, **PREFERRED** encouraged both the APTA and AOTA to attend the round table discussions at AAPPO's annual Healthcare Industry Summit in Chicago.

Healthcare industry leaders were invited to discuss current industry trends including tiered networks, cost shifting, consumer driven health plans, out of network discounts, and employer issues.

Jim Milder, PT represented the American Physical Therapy Association (APTA), Leslie Lloyd, represented the American Occupational Therapy Association (AOTA), and Christy Beauchamp and Nicole Craig from **PREFERRED** Therapy Providers were all part of the pre-conference roundtables at the summit.

"It was critical to have representation from professional provider associations at this event," said Christy Beauchamp, Vice President of **PREFERRED**. "AAPPO should be applauded for their ongoing efforts at providing venues for both payors and providers to discuss issues in the healthcare continuum. **PREFERRED** will continue to encourage participation in these kinds of venues. We believe that it is important for private practice professionals to be part of the process that influences their respective professions."

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## **Forging Ahead**

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One, who has spent a great deal of time working for PPOs, helps the company understand the processes and challenges payers face.

Another, who has extensive experience in health care, provides the company with excellent provider advocacy skills. And the third helped Hillebert from the start when she struggled to get her fledgling company off the ground. This other valued employee is Hillebert's daughter, who's involved full-time with the company.

Reflecting on the challenges she's faced throughout her career, Hillebert says the biggest obstacle is obtaining a good reimbursement methodology when negotiating contracts. "Because so many plans negotiate in so many ways," she explains, "we have to make sure everything is equitable and fair to all parties."

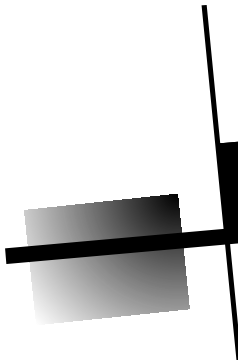
Remaining open is the solution. "We're very flexible in terms of our infrastructure and how we create relations with so many different companies in the health care industry," says the entrepreneur, who works 50-hour weeks. Ultimately, the company isn't held back by its own bylaws.

Hillebert's management style reflects this attitude. With an open-door policy, she's committed to empowering her employees by being there for them at all times. "I'm their resource, their cheerleader and sometimes even their surrogate parent," she says. Other than that, "I communicate my expectations from the start, turn them loose and let them shine."

Clearly, it's working. "We've had explosive growth and it hasn't slowed yet," says Hillebert.

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