

## The Business of Rehab

Brent J. Detelich, DC

Today's DC is faced with many questions and challenges that chiropractors in years past did not encounter. The first big question is whether to accept insurance. This is a loaded question that requires looking at it from every angle.

The positive points of accepting insurance are that it enables patients to use the insurance plan they have earned; it makes it easier for patients to pay for care; and it can increase retention and office collections. The negatives include having to keep updated on all coding changes and compliance issues, not to mention hassles with insurance companies and getting paid. Patients only want what insurance covers, not what they actually need. Some insurance plans have low reimbursement rates for codes and/or limit the codes the chiropractor can submit; this limits overall collection. In my experience, insurance companies typically allow \$1,000 to \$2,500 for chiropractic care, and some are definitely lower.

The second question is, should you provide rehabilitative services to your patients? There is no question, regardless of your practice philosophy, that if a patient strengthened the muscles surrounding his or her spine, the adjustment would hold longer and corrective care would be enhanced. The real issue is, do you have what it takes - not just the knowledge of how to rehab the spine, but also how to document it and provide the rationale for why it is medically necessary? Insurance companies are becoming more and more demanding that your documentation and rationale for treatment be thorough in order to justify their payment to you.

Many chiropractors feel they lack the tools to educate patients such that they are willing to pay out of their own pocket for additional services. This leads to the third question: How do I get patients to understand the value of spinal rehabilitation so they are willing to pay for whatever the insurance companies will not? This is probably the biggest challenge I hear about when I consult with chiropractors. It is not true that patients in your area cannot afford care or will not pay anything above what their insurance allows. It is true that patients will pay you what they perceive the value of your care to be.

You can then educate patients on why these additional services are more valuable and necessary for overall correction of their condition, even if insurance is unwilling to pay for it. Your perception of the value of these services is directly proportional to the value your patients perceive it to be. This will reflect on your willingness to spend the needed time and to say the things that must be said in order for patients to understand the importance of true corrective care.

How are you doing in your practice compared to your colleagues? In my discussions with DCs around the country, I have found that chiropractors who apply spinal manipulation only, have a national collection average of \$20-\$30 per visit. The national average per visit goes up to \$37-\$45 if you add passive modalities. Include soft-tissue therapy and it can go as high as \$60 per visit. Chiropractors who incorporate active rehabilitation have a national average in collections of \$80-\$110 per visit. You can determine your collection average per visit by dividing the total number of visits you see in a month by your total collections in that same month. This allows you to determine if you are above, within or below the national average for your practice style. As you can see,

adding rehab causes a significant growth curve and in general business is a "no brainer," because it improves the product delivered to the client while improving the company's (your) bottom line.

Another way to accomplish this next jump in your practice is to include a physical therapist as part of your corporation. As discussed in a previous article [[www.chiroweb.com/archives/24/12/18.html](http://www.chiroweb.com/archives/24/12/18.html)], bringing in a physical therapist can add many new and exciting dimensions to your practice. Physical therapists are excellent at locating anatomical areas of weakness and strengthening these areas so spinal correction care can actually occur. They are able to develop treatment plans and execute them without your supervision. In fact, a physical therapist can treat and bill for patient treatment even when the chiropractor is not on the premises. I get tons of phone calls for my consulting service from doctors who want to partially or fully phase out of practice, or who want to add a physical therapist to their decompression business. For many, the idea of having a professional who can document, provide medical necessity rationale for, and deliver effective treatment protocols is enough.

And there is one additional point that should not be overlooked: Most insurance companies (in my estimation, usually around 70 percent) have a separate benefit available only to licensed physical therapists. This is an additional insurance benefit for the same codes a chiropractor uses in his office, but it is only available to the licensed physical therapist. I suggest that this additional benefit can range from \$3,500 to unlimited or 30/60 unlimited visits. This benefit can be applied to the overall corrective care plan, making the patient's out-of-pocket expenses go down drastically.

As an example, patient A requires \$5,000 in corrective care, but only has a \$2,500 chiropractic benefit. Patient B requires the same amount of care, has the same chiropractic benefit as patient A, but also has \$3,500 in physical therapy coverage. If there is a licensed physical therapist on staff, Patient B's out-of-pocket expenses are approximately \$1,000 (20 percent co-pay), while patient A has \$2,500 + \$500 (20 percent of \$2,500) in expenses for the same care. Patient B also benefits from the expertise of the physical therapist in administering a spinal strengthening program. All in all, integrating a physical therapist can be a very rewarding business move; it can increase patient results, patient satisfaction, documentation standards, treatment plan rationale, and income. A great day had by all.

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