

Managed Care and Private Practice

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In the first part of this series, I discussed the managed care industry and its interest in developing networks of acupuncture providers. I also shared my view that acupuncturists must come to terms with managed care if we ever hope to become part of the mainstream medical system in America. In this article, I will offer advice on how to integrate managed care patients into your private practice. After discussing the two primary types of managed care plans, we will consider details such as the amount of paperwork involved and the compensation you will receive.

First, however, a reminder of what I mean by "managed care." In using the term managed care, I am referring to a system in which a provider of services signs a contractual agreement with an insurance company and agrees to specific terms. While the terms for payment of services can vary under these systems (see below), the common features include the provider signing a contract and having their credentials checked before being accepted (or credentialed) into a network of providers. Part of the credentialing process usually includes having your office inspected and providing proof of malpractice insurance.

Access and Benefit Plans

There are two basic types of managed care plans currently being utilized for complementary and alternative medicine (CAM) services: access plans and benefit plans. Benefit plans provide specific benefits to members (patients), including the number of treatments allowed per year; which medical conditions are covered under the plan; co-payments; deductibles; and so forth. Most of these plans are purchased as rider plans similar to purchasing dental or vision coverage and require the service provider to obtain approval for each treatment they wish to perform.

Benefit plans require providers to bill the insurance company for their services and not bill the patient any additional fees other than co-payments or deductibles. Providers are then paid by the insurance company based on a set fee schedule.

Access plans are also called discount plans because providers offer a discount off of their normal fees (usually between 20-25%). These plans are offered by insurance companies to their members for no cost. Members are encouraged to go to their insurance company's network of credentialed providers to obtain the discount. Eligible members can be treated for any condition, require no authorization for treatment, and pay out of pocket for their treatment. Access plans are not money makers for insurance companies and are usually used to test the interest in a new market or as a form of token coverage.

Paperwork

Access plans require very little additional paperwork over what you already utilize. Most will ask providers to give patients some sort of satisfaction survey to be mailed back to the insurance company; some plans may want providers to have patients sign an informed consent form. One company I know of asks providers to fill out a receipt form for each patient that indicates the

diagnosis and discount given.

Benefit plans require providers to submit forms in order to obtain treatment authorization. Different companies will have somewhat different requirements in this regard. Most will encourage providers to fax these forms to them ASAP so they can be put through the case management review process. In this process, the patient's benefit status will first be verified. A case manager will review the information submitted by the provider and decide whether to allow the treatments requested. The provider will then be sent an authorization response form (by fax, if available) informing them whether their proposed treatment plan has been accepted as requested, denied, or accepted with modifications.

The authorization process is a source of frustration for many providers, especially those not in the habit of filling out medical history/diagnosis forms. Waiting to be informed if your proposed treatments have been authorized is not something most acupuncturists are accustomed to, except perhaps in the treatment of workers' compensation cases. When deciding which managed care networks you will contract with, you may wish to inquire about their turnaround time for treatment authorizations, appeals processes for disputed authorizations, and the qualifications and training of their case managers. Better companies will be happy to provide you with this information.

While some networks' paperwork procedures for treatment authorizations can be time-consuming, don't get too discouraged about the time it takes you to complete these forms in the beginning. With experience, you will reduce the time this process takes, just as most acupuncturists eventually learn how to reduce the time it takes to treat each patient.

Take the time to go over the information your network company has provided on completing their forms, then practice by filling out some forms before you see your first managed care patient. If you have any front office staff, have them familiarize themselves with the forms they will ask your patients to fill out. Finally, contact your network company if you have any questions regarding paperwork procedures. They should have representatives available to answer your questions in a timely manner.

Money

With the possible exception of matters of the heart, nothing elicits more passion than matters of the pocketbook. I expect this publication will receive many letters expressing opinions on the financial aspects of acupuncturists participating in managed care and look forward to exploring this subject in depth in later issues. Due to space limitations, I will focus on benefit plans in this article and keep my comments on this subject brief.

Most acupuncture benefit plans pay between \$40-\$75 per acupuncture treatment. Some plans may allow a separate fee for consultation/examination, treatment and specific treatment modalities such as electrostimulation, cupping, acupressure, etc. Others pay a single "per diem" fee that covers any and all services provided. A few plans may allow for slightly higher fees under certain circumstances, but in most instances, the above figures are the most common.

Trying to decide whether joining a managed care network will make financial sense for one's practice is an individual decision. Those fortunate few acupuncturists who have busy practices with long waiting lists of patients and who command top dollar for their services have little trouble deciding. Joining a network that pays half of one's normal fees does not make much sense.

At the opposite end of the spectrum, those acupuncturists desperate for new patients at any fee also have an easier choice. Most larger networks charge no fees to join and offer a chance to build

one's practice with little to lose, so it makes a lot of sense for them.

Acupuncturists who have fairly steady practices and whose fees run somewhat higher than those paid by most managed care networks face the toughest choice. Is entering into a legal contract that requires you to go through a credentialing process and do more paperwork for less pay worthwhile? While each practitioner needs to decide for themselves, I hope the following advice will help put these questions into perspective.

One should not consider the modest fees paid under many managed care plans as the most compensation one will receive for one's services, but rather as the least amount one will receive. For example, most acupuncture benefit plans only cover certain conditions, chiefly neuromusculoskeletal syndromes.

Suppose you see a patient with back pain, a condition covered under a managed care benefit plan which pays \$50 a treatment. Under the terms of your managed care agreement, you will not be able to charge the patient any additional fees, even if your customary rates are higher than \$50. However, if that patient wants to use acupuncture to quit smoking, or for any other condition that is not covered under their health plan, you would be able to treat them as a cash patient at whatever fee you wish to charge.

Patients who come to you under these plans may also refer others to you who are not covered under such plans. The actual fees you average as a result of a patient accessing your practice under these plans will be no less than the contracted fee schedule* and may end up being considerably more. It is also important to realize that your managed care patients will only constitute a portion of your overall practice.

After originally planning to write only two articles, the good folks at *Acupuncture Today* have asked me to continue offering information on this subject. I have agreed to continue writing, as I feel we have only scratched the surface of this subject. If you have any thoughts, questions or concerns, please contact me in care of this publication.

*Contracts that contain allowances for "withholds" may net you less than the stated fee schedule amount. I will give more information on withholds in future articles.

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