

# Lessons Learned: A Timeline of PTPN and Industry Developments



## Workers' Compensation

In the midst of the managed care boom in the mid-1980s, many therapists turned to the industrial medical arena. To help PTPN members participate in this market, we secured our first workers' compensation contracts in 1986. The next year, we developed a patient referral program for workers' compensation payers to direct physicians and industrial medical clinics to send patients to PTPN members for therapy treatment. While that effort did not survive a couple years beyond the pilot stage, it was the forerunner to our current successful AccessPoint product, which streamlines appointment setting for workers' compensation companies and employers.

When workers' comp reform took hold in California in 1994, with a new fee schedule, a switch from the old coding system to CPT, and the introduction of tighter healthcare panels (HCOs), PTPN became active with State politics and regulators to make sure the changes did not negatively impact reimbursement. PTPN also took advantage of these changes to successfully pursue the new marketing opportunities afforded by HCOs.

A decade later, major workers' comp overhaul in California severely limited PT visits. PTPN's workers' compensation volume dropped dramatically from previous years. When it looked like payment per visit was also going to be cut, PTPN went to work with State regulators, providing them with an analysis showing that they were not interpreting the fee schedule correctly, and consequently, PTs were being underpaid. As a result of PTPN's advocacy, pay cuts to PTs were avoided.

## Capitation

In the HMO heyday of the late 1980s, capitation was the preferred method of payment to physicians. PTPN recognized the need for a capitation program for physical therapy to ensure that its members could continue to compete in the managed care arena. Consequently, we developed a capitated program that spread risk over a large pool of offices instead of just a single therapy office, began educating PTPN members around California, and signed our first capitation contract in 1993. At one point in time PTPN had more than 200,000 lives in our capitated program.

Fast forward several years, and managed care experiences a consumer and regulatory backlash over barriers of access to care. Capitation fell from favor; as enrollment in the capitation program dwindled, PTPN retired this program in 2008.

## Evidence-Based Medicine

When the Clinton Administration initiated its healthcare reform discussions in 1993, PTPN was already well positioned to be a player. As "outcomes" and then "evidence-based medicine" became the new buzzwords – and continue to be today – PTPN had already developed meaningful outcomes and utilization measures, and was actually measuring these outcomes in our capitation program.

Later, thanks to our national outcomes pilot program, PTPN members were well-prepared for the evidence-based medicine movement, articulated in the CMS statement that "justification for treatment must include objective evidence, which can include outcome measurement tools."

In 2007, we launched the PTPN Outcomes Program powered by FOTO, which was one of four outcomes tools for PTs adopted by CMS. Evidence-based medicine and value-based purchasing continue to be part of the current healthcare reform debate, and PTPN members are once again well positioned for the evolution of this issue.

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### Legislative and Regulatory Advocacy

CMS has imposed therapy caps for outpatient rehab for 13 years, with only temporary moratoriums and limited extensions of the therapy cap exceptions process. During these years, PTPN consistently helped members contact legislators to voice their objections to the caps. As of January 29, 2010, PTPN joined over 25 other organizations in demanding the repeal of the Medicare therapy cap.

When HIPAA arrived on the scene in 2001, members were nervous about its complexity and its potentially expensive administrative requirements. So PTPN prepared everyone to be compliant with its provisions by educating therapists in seminars, newsletters and on [ptpn.com](http://ptpn.com).

When CMS launched the PQRI (Physician's Quality Reporting Initiative) in 2007, PTPN worked with CMS to make the measures applicable to PTs and OTs, enabling them to participate in the voluntary quality bonus program.

To further ensure your interests are served in Washington, D.C. we created the PTPN Political Action Center and hired a lobbyist. Just one important result of these political action efforts was the successful avoidance of Medicare cuts in 2008.

### Increasing Consumer Power

As reimbursement continued to shrink and the consumer-directed healthcare movement shifted responsibility for selection and payment for services to consumers, PTPN again recognized that times were changing and members needed new tools and solutions. So we engaged in first-of-its-kind extensive market research of consumer wellness needs that resulted in Physiquality, our consumer brand that positions PTPN members as providers of choice for the full spectrum of rehab and wellness services. We continue to add programs and products to the Physiquality menu, which can be accessed at [www.physiquality.com/clinic](http://www.physiquality.com/clinic).