



April 27, 2017 Industrial Commission of Arizona Fee Schedule Hearing

Thank you to the Commissioners, Director, and staff of the Industrial Commission of Arizona for the opportunity to comment on proposed language for the 2017-18 Fee Schedule.

My name is Cynthia Driskell. I am a physical therapist, owner of Carefree Physical Therapy, and Vice President of PTPN Arizona.

PTPN of Arizona is a rehabilitation provider network, owned and operated by Arizona physical therapists since 1994. We provide credentialing, contracting, referral, and quality assurance programs for over 150 therapist-owned clinics in Arizona. We contract with group health plans, employer groups, and worker compensation payers through local, state, and regional contracts.

We support the proposed guideline that would ensure that Arizona rehabilitation providers receive fair payment through participation with preferred or specialty networks. The key reasons for our support are:

- 1) provide transparency for all parties,
- 2) eliminate factors that drive down the quality of therapy provided to injured workers, and
- 3) insure that employers and payers are receiving value for their required fee schedule payments.

Therapy networks provide a positive service in the workers compensation market. We provide added saving for payers while absorbing administrative and operational functions on behalf of the therapy providers. We provide the opportunity for small, local providers to participate in larger contract agreements. Therapy networks can operate from a variety of business models. For example, PTPN charges an annual membership fee, so all discounted treatment fees go directly to the therapy provider. Our providers know the specifics of each contract and may choose to opt out of any discounted contract that does not meet with their approval.

Lack of disclosure of contracted rates has resulted in providers seeing payment as low as 40-50% below the fee schedule, with therapy providers unaware of the administrative fees retained by networks. Providers have had to turn away work comp referrals because they could not afford to take discounted fees plus high administrative percentages off the fee schedule. The contracts may come from out of state TPAs, forcing patients into a very limited panel of providers, even if the employer is not allowed to direct medical care. Patients have experienced interrupted care due to transfer to an "in" network provider at deeply discounted rates.

The quality of therapy provided can be negatively affected by low payment and high administrative fees. Therapists spend less direct care time with patients, use more therapy extenders or provide more passive modalities. The employer/payer truly gets less therapy for their money when high administrative fees are retained.

Thank you for the opportunity to address this issue, and we look forward to working with the Commission on insuring favorable payment policies for rehabilitation services.

Submitted by:

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