

From: [Gary Souza](#)
To: [MRO](#)
Subject: Worker's Comp Middle persons
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I would like voice my **opposition to the middleman discount networks** that are intervening into the Worker's Compensation system. In California, as an outpatient physical therapy practice, our clinic has been providing care to injured workers for 36 years. A few year's ago our business dropped significantly in the WC category when companies like Align Network, OneCall, Med Risk and others, came into the California market. In particular Align (OneCall) cancelled our contract which we originally signed at a reasonable 10% discount from the Official Fee Schedule. They wanted us to take a 50% reduction, offering a flat fee per visit. Despite being below our cost of providing the care, Align insisted that if we took a lower reimbursement, they would direct more patients our way. I told them that more business reimbursed below our cost of providing quality care, does not help me or their injured worker. I then asked how they would be directing their patients as they claimed to have a quality of care standard. They said their decision on where to refer patients was based on which clinics took the lowest reimbursement and got their paperwork in on time. I asked for their outcome measures for clinics in our area and this was never provided. It is my opinion that this appears to be a profit driven decision, placed higher than one based on the best clinical opportunity for the worker.

One middleman company advised me their contract offer was based on three tiers of reimbursement. The highest reimbursements would lead to no new referrals, "good for a clinic that did not want any new volume". The next tier would provide some new referrals, but the clinics that signed up for the lowest reimbursement from the middleman company, would be the clinics they would first try to direct their referrals. We did not sign up for their contract.

Since we stopped contracting with most of the middleman companies, some doctor's who refer patients to our office have a difficult time directing them to the clinic of their choice. I have been told by some loyal patients that the middleman representatives have told them that if they come to our office (the clinic of their choice) our clinic may not get paid. They have been told they have to go to a certain office even when their doctor told them he wanted them treated in our office. When these patients went to the other middleman directed clinics, some have reported the care is nowhere near what they have become accustomed to in our office. This is understandable, as there is no way that a clinic can provide quality care by a qualified, licensed professional, at half the price. In my experience, something has to give, either the therapist has too many patients or the patient could be seen by non-licensed staff. The middleman representative also told me there were 38 clinics providing physical therapy within an 8 mile radius of our office, so I should take their offer. This is absolutely not true. I checked their list which included closed offices, chiropractic offices, but not physical therapy practices.

The bottom line here is there is no need for 'middleman' discount networks which take millions of dollars away from patient care.

Injured workers in Arizona (and CA) deserve the best treatment possible. For providers to provide the best care possible to get worker's back to work, reimbursement needs to be adequate to provide that quality of care. When unnecessary middlemen come into tsystem, they are taking 50-60% of the fees that were directed towards treating the injured worker, not sent out-of-state to a third party company.

Please consider opposition to middleman worker's compensation businesses that take half of the money allocated towards physical therapy treatment provided by licensed professional physical therapists, and into the pocket's of corporations not providing the actual care.

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