

OUR 16TH ANNUAL FEES & REIMBURSEMENTS SURVEY

A new reality

During its peak, the Great Recession changed the way you do business. And now, during the modest recovery, the effects have created a new reality for our economic landscape *and* the future of healthcare.

BY MELISSA HEYBOER

The U.S. financial crisis that started in 2007 shifted the way Americans spend money and how businesses seek to earn it. And the healthcare industry — one many believed to be recession-proof — was one of the hardest hit. Especially those medical fields often referred to as “discretionary.”

For a profession already struggling to be embraced as a valid complement and alternative to a person’s healthcare regimen, chiropractic was in for quite a battle.

But new challenges brought on by the recession created new opportunities for chiropractors to strengthen and broaden their consumer reach. And, as a result, we’re here to offer some good news.

Now, almost six years later, the chiropractic industry is arguably stronger than ever before. And our 16th Annual Fees and Reimbursements Survey is a good indicator that while reimbursement rates aren’t what they

used to be, they are what they’re supposed to be — for now and for the foreseeable future.

While this year’s reimbursements went up, so too did the fees being charged. As a result, the average reimbursement rate dropped — but only slightly. In fact, the last two surveys indicate a trend toward a more stable future. Therefore any significant drop off in the coming years would be surprising.

If you’ve performed due diligence with regard to EHR software and ICD-10 coding preparation, then you’re putting your practice and the profession in the best position for success.

Going forward, you should be looking for opportunities to fine-tune the way you practice in the new healthcare climate.

The Great Recession didn’t just change the way you do business in order to survive the economic downturn; it effectively shifted the entire consumer and business landscape toward a new reality. And what you see now likely isn’t the remnants of a struggling economy, but rather the shape of a largely new one.

Highlights

Here are some of the biggest changes we noticed this year:

Changing demographics. Despite their numbers dropping slightly from last year (a record high), this year’s survey still saw a large number of female respondents (26 percent). Women, however, did see a sharp decline in reimbursement rates. Despite reporting higher rates than male DCs in the past, female chiropractors reported reimbursement rates of just 49 percent.

How you practice. The number of doctors who reported working as associates rose for the third straight year, and has increased 215 percent since 2010. This year, nearly 7 percent of all respondents said they practiced as an associate, compared to 5 percent last year, 4 percent in 2011, and 2 percent in 2010.

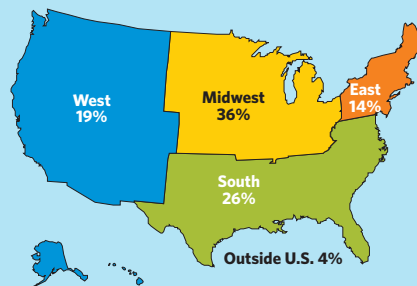
This trend could mean more DCs are exhibiting caution about jumping into entrepreneurship and is just one of the ways the economy has altered the way doctors practice.

Profile of Respondents

	2013	2012	2011
Personal characteristics			
Male	74.4%	72.3%	77.6%
Female	25.6%	27.7%	22.4%
Average age	48.2	46.9	47.3
Age range	26-79	25-76	27-77
Average yrs in practice	19.0	18.1	18.4
Types of practice			
Solo	67.6%	71.3%	71.6%
Group	26.1%	23.5%	24.9%
Associate	6.3%	5.2%	3.5%
In a franchise operation	4.8%	4.3%	4.5%
Integrated healthcare practice (DC+MD/DO)	5.5%	6.5%	3.9%
Cash-only practice	11.9%	16.8%	14.5%
Fees and reimbursements			
Average fees	\$67.0	\$61.0	\$71.0
Average reimbursements	\$41.0	\$38.0	\$45.0
Average reimbursements rate	61.2%	62.3%	63.4%
Geographic location			
Eastern region	14.4%	13.9%	15.0%
Southern region	25.9%	27.4%	25.5%
Midwest region	36.3%	36.0%	31.3%
Western region	19.4%	22.4%	28.0%
Outside U.S.	4.0%	0.3%	0.2%
Licensure			
One state	71.3%	80.1%	73.0%
Two states	19.9%	12.7%	20.0%
Three or more states	8.8%	7.2%	7.0%

About this survey

Throughout July and August 2013, *Chiropractic Economics* extended an invitation by email to readers and other practicing chiropractors to complete a Web-based survey on fees and reimbursements.



We limited survey participants to practicing chiropractors or their designated office managers/CAs to assure accuracy of information.

Number of participants. This year the analysis is based on the answers of 320 respondents.

Regional distribution. Broken into four regions of the country, participants hailed from the Midwest (36 percent), the South (26 percent), the West (19 percent), the East (14 percent), and outside the U.S. (4 percent). There were seven states not represented in this year's survey including: Alabama, Hawaii, Idaho, Louisiana, Maine, Mississippi, and New Hampshire.

Averages. Unless indicated otherwise, all numbers are given as averages.

Cash-only practices. Cash-only practices reported fees only.

The survey results are provided for informational purposes only. They are not intended to be used as a recommendation for setting fee levels.

A decline in cash. One trend we didn't see coming was the pretty hefty decline in cash-based practices. Despite several years of growth, just 12 percent of respondents said they operate solely in cash — a decrease of almost 30 percent. This was the lowest response since 2010.

Cash-based practices charged an average fee of about \$60. This means cash-only practices enjoy a 50-percent advantage in collections when compared to average reimbursements.

Payment plans. While the number of DCs offering payment plans remained

mostly unchanged from last year (58 percent in 2012 to 59 percent in 2013), the ways they offer it shifted.

Doctors offering prepayment plans and patient financing declined from last year nearly 20 percent and 24 percent, respectively, while those offering a discount for cash and down-payment plans rose almost 25 percent.

Specialties. Massage therapy is still the most popular specialty for chiropractors to offer, with almost half of all DCs saying they offer it.

The biggest change from last year

was the increase in physical therapy as a specialty. More than 7 percent of DCs said they offered it, double the number reported last year.

The remaining specialties were acupuncture (10 percent), MD/DO (6 percent), nutritionist (6 percent), fitness trainer (5 percent), and naturopathic doctor (less than 1 percent). •



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The four corners

You don't need to look at a map to understand how diverse the four regions of the U.S. really are. But their differences extend beyond sea level and climate — how chiropractic practices collect also varies depending on their location. And this was seen once again in this year's survey.

Overall fees and reimbursements rose from last year (\$61 to \$67, and \$38 to \$41, respectively), however, the

average reimbursement rate dropped slightly (62 percent to 61 percent).

Likewise, the average fees and reimbursements among the four regions changed over 2012, as well. Average fees rose across the board. The highest fees were reported in the Western region (\$76), which had fees of \$62 in 2012. However, the West saw the lowest reimbursement rate (54 percent) among all four regions. The

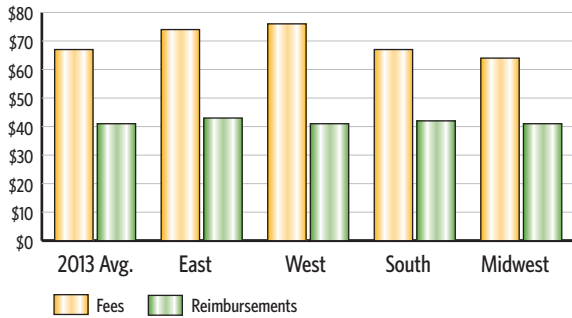
Western region also saw the biggest change in reimbursement rates over last year (68 percent to 54 percent) — a 20-percent change.

The remaining regions reported reimbursement rates of 58 percent (Eastern), 63 percent (Southern), and 64 percent (Midwestern).

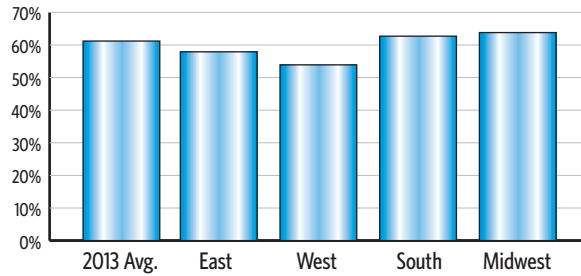
In terms of actual dollars collected, the highest figures were reported in the Eastern region (\$43). •

	2013			Eastern Region		
	Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.
Professional care						
98940 Chiropractic manipulative trmt., 1-2 regions	\$45	\$31	68.9%	\$49	\$35	71.4%
98941 Chiropractic manipulative trmt., 3-4 regions	\$54	\$39	72.2%	\$55	\$36	65.5%
98942 Chiropractic manipulative trmt., 5 regions	\$63	\$43	68.3%	\$63	\$44	69.8%
98943 Extra spinal manipulation, 1 or more regions	\$39	\$23	59.0%	\$45	\$22	48.9%
98912 Established patient E/M services	\$58	\$37	63.8%	\$74	\$44	59.5%
99213 Established patient E/M services	\$81	\$54	66.7%	\$102	\$66	64.7%
99214 Established patient E/M services	\$112	\$79	70.5%	\$143	\$94	65.7%
New patient exam						
99201 New patient E/M services	\$66	\$43	65.2%	\$94	\$53	56.4%
99202 New patient E/M services	\$91	\$58	63.7%	\$106	\$68	64.2%
99203 New patient E/M services	\$123	\$81	65.9%	\$121	\$80	66.1%
99204 New patient E/M services	\$162	\$112	69.1%	\$182	\$124	68.1%
Radiology						
72020 Single view X-ray	\$47	\$29	61.7%	\$40	\$20	50.0%
72040 Cervical, 2 or 3 views	\$76	\$42	55.3%	\$73	\$39	53.4%
72050 Cervical, 4 views	\$119	\$65	54.6%	\$135	\$62	45.9%
72052 Cervical, complete, including oblique and flexion and/or extension studies	\$167	\$94	56.3%	\$158	\$60	38.0%
72070 Thoracic, AP, and lat.	\$79	\$44	55.7%	\$82	\$47	57.3%
72100 Lumbrosacral, 2 or 3 views	\$80	\$46	57.5%	\$84	\$45	53.6%
72170 Pelvis, 1 or 2 views	\$68	\$37	54.4%	\$50	\$25	50.0%
Procedures and modalities						
97012 Traction, mechanical	\$30	\$18	60.0%	\$39	\$23	59.0%
97014 or G0283 electrical muscle stimulation	\$28	\$15	53.6%	\$30	\$15	50.0%
97035 Ultrasound	\$28	\$14	50.0%	\$36	\$15	41.7%
97110 Therapeutic exercises	\$41	\$27	65.9%	\$46	\$26	56.5%
97112 Neuromuscular re-education	\$42	\$25	59.5%	\$42	\$19	45.2%
97124 Massage	\$45	\$29	64.4%	\$38	\$20	52.6%
97140 Manual therapy	\$41	\$24	58.5%	\$38	\$24	63.2%
97530 Therapeutic activities	\$43	\$28	65.1%	\$45	\$30	66.7%
S8948 Low level laser, ea. 15 min.	\$40	\$17	42.5%	\$40	\$18	45.0%
S909 Spinal decompression therapy	\$48	\$22	45.8%	\$48	\$38	79.2%
Overall averages	\$68	\$42	61.4%	\$74	\$43	57.9%

Comparisons by Region



Percent Reimbursed by Region



Western Region			Southern Region			Midwestern Region		
Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.
\$50	\$34	68.0%	\$41	\$28	68.3%	\$44	\$29	65.9%
\$60	\$40	66.7%	\$49	\$35	71.4%	\$54	\$41	75.9%
\$71	\$38	53.5%	\$56	\$42	75.0%	\$62	\$44	71.0%
\$42	\$25	59.5%	\$37	\$23	62.2%	\$36	\$20	55.6%
\$69	\$33	47.8%	\$58	\$38	65.5%	\$47	\$33	70.2%
\$91	\$50	54.9%	\$82	\$57	69.5%	\$69	\$50	72.5%
\$136	\$69	50.7%	\$109	\$78	71.6%	\$94	\$75	79.8%
\$80	\$40	50.0%	\$62	\$43	69.4%	\$54	\$38	70.4%
\$111	\$61	55.0%	\$95	\$58	61.1%	\$75	\$51	68.0%
\$149	\$87	58.4%	\$125	\$80	64.0%	\$108	\$78	72.2%
\$208	\$111	53.4%	\$154	\$111	72.1%	\$139	\$109	78.4%
\$52	\$28	53.8%	\$44	\$29	65.9%	\$47	\$30	63.8%
\$81	\$45	55.6%	\$74	\$48	64.9%	\$75	\$39	52.0%
\$104	\$56	53.8%	\$112	\$71	63.4%	\$126	\$66	52.4%
\$167	\$86	51.5%	\$163	\$95	58.3%	\$170	\$101	59.4%
\$86	\$43	50.0%	\$73	\$49	67.1%	\$81	\$44	54.3%
\$87	\$47	54.0%	\$75	\$51	68.0%	\$82	\$45	54.9%
\$79	\$45	57.0%	\$67	\$42	62.7%	\$69	\$36	52.2%
\$30	\$16	53.3%	\$28	\$16	57.1%	\$29	\$18	62.1%
\$28	\$16	57.1%	\$30	\$15	50.0%	\$26	\$15	57.7%
\$28	\$15	53.6%	\$31	\$14	45.2%	\$26	\$14	53.8%
\$43	\$25	58.1%	\$39	\$27	69.2%	\$41	\$28	68.3%
\$43	\$23	53.5%	\$41	\$26	63.4%	\$41	\$26	63.4%
\$56	\$35	62.5%	\$39	\$29	74.4%	\$40	\$28	70.0%
\$42	\$22	52.4%	\$46	\$24	52.2%	\$37	\$24	64.9%
\$43	\$19	44.2%	\$40	\$29	72.5%	\$44	\$31	70.5%
\$53	\$14	26.4%	\$44	\$11	25.0%	\$34	\$18	52.9%
\$37	\$22	59.5%	\$50	\$-	0.0%	\$52	\$19	36.5%
\$76	\$41	53.9%	\$67	\$42	62.7%	\$64	\$41	63.8%

Slow and steady

While both the average fees and average reimbursements went up in this year's survey (\$61 to \$67, and \$38 to \$41), the average reimbursement rate declined — but only slightly. Last year, doctors of chiropractic saw an average reimbursement rate of

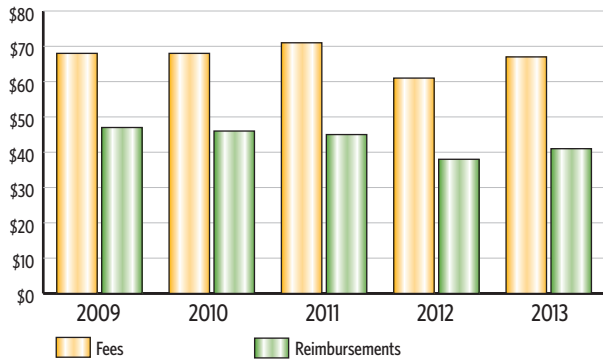
62 percent, compared to 61 percent this year.

And this year's numbers are more on par with what they've been in years prior to 2012.

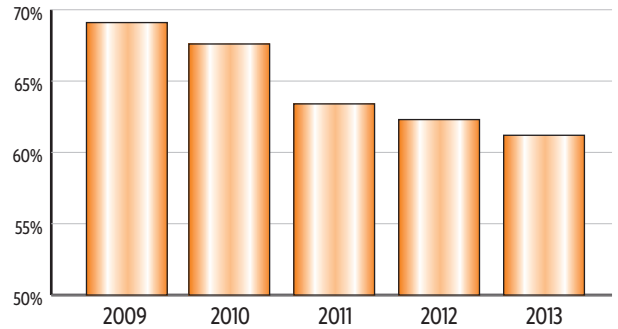
While a decline is certainly not the direction the profession would like to

see, the trend over the past couple years reflects what could be a new reality in the profession, rather than the result of an economic crisis. And the consistently small decline in reimbursement rates may be exactly where the profession could be for years to come. •

Year-to-Year Comparison of Fees and Reimbursements 2009-2013



Year-to-Year Comparison of Reimbursement Rates 2009-2013



The more, the merrier

If you're making the shift toward group practice, you're among the 26 percent who reported operating in a group setting — the highest percentage in the survey's 16 years. The same goes for those respondents who operate as associates, with more than 6 percent reporting as such.

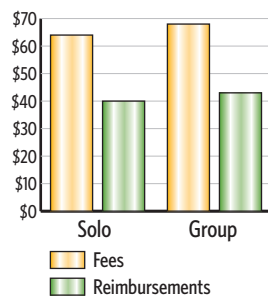
While the majority (68 percent) of DCs still practice solo, the shift toward alternative practice environments, suggests that doctors are seeing more success and more collections in group settings.

Despite the decline last year, group practices saw the highest fees, reimbursements, and reimbursement rates in this year's survey. Group practices had average fees of \$68 and average reimbursements of \$43, while solo practices had average fees and reimbursements of \$64 and \$40, respectively.

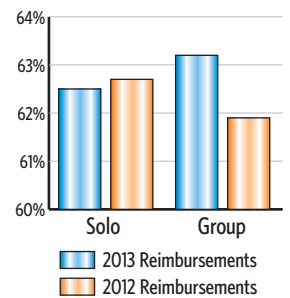
Reimbursement rates in solo practices remained almost unchanged — dropping just .3 percent over last year. However, reimbursement rates in group settings rose 2.1 percent from the 2012 survey.

Group practices once again reported a higher percentage of specialists working in their clinics. Forty-six percent of solo DCs answered "none" when asked what specialists they employed, while only 32 percent of group practitioners answered the same. •

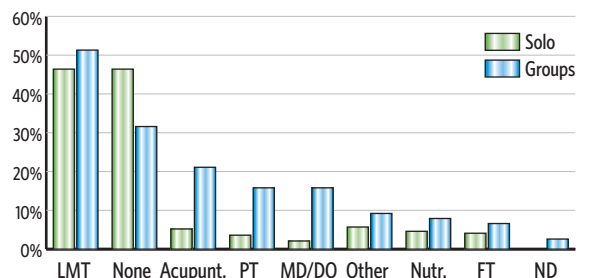
Solo vs. Group Fees and Reimbursements



Solo vs. Group Reimbursement Rates



Specialists Working in Solo and Group Clinics



MDs vs. DCs: a comparison

While great strides have been made over the years to even the playing field for medical doctors and chiropractors in the healthcare arena, there is still a long way to go.

But despite the differences in each profession, there are still similarities that MDs and DCs share — and one of those is coding.

More specifically, both professions code the following procedures: 99201 (evaluation and management for new patient) and its variations — 99202, 99203, and 99204) when dealing with insurances companies and their fees and reimbursements.

This year, both MDs and DCs saw a rise in reimbursements in each of the four codes above.

According to a similar survey published in January 2013 in *Physicians Practice*, a business journal for medical doctors, average reimbursements for MDs are generally unchanged from last year. For chiropractors, reimbursement rates declined only slightly. Last year, DCs saw an average reimbursement rate of 62 percent, compared to 61 percent this year.

In previous years, *Physicians Practice* has reported on both its fees and reimbursements, however, for the past few years, they have reported solely on reimbursements. As a result, we will only report on DCs' reimbursements as well.

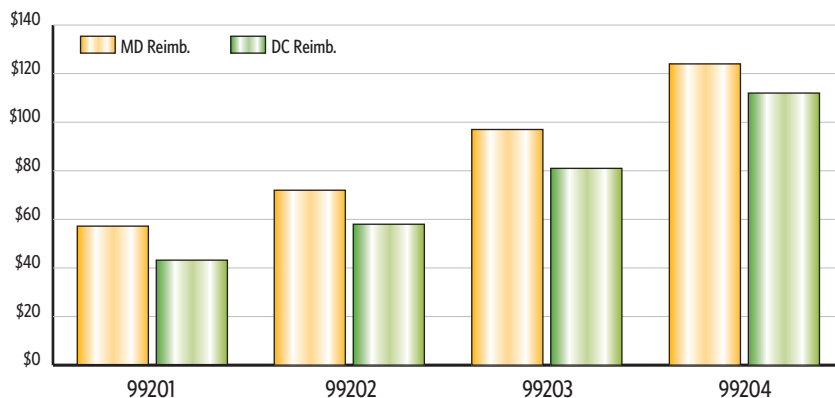
For code 99201, DCs averaged reimbursements of \$43, while MDs' reimbursements were \$57. This is up from \$42 (DCs) and \$51 (MDs) last year.

For code 99202, MDs' reimbursements were \$72, while DCs averaged \$58 in reimbursements. This is compared to \$70 and \$57, respectively, last year.

For code 99203, MDs' reimbursements rose from \$96 last year to \$97 this year. DCs' reimbursements rose from \$74 last year to \$81 this year.

For code 99204, MDs reported a reimbursement average of \$124, this is the same as was reported last year for this code. Chiropractors reported average reimbursements of \$112, up from \$96 last year — a 17-percent increase. •

Comparison of MD and DC Reimbursements



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The integration theory

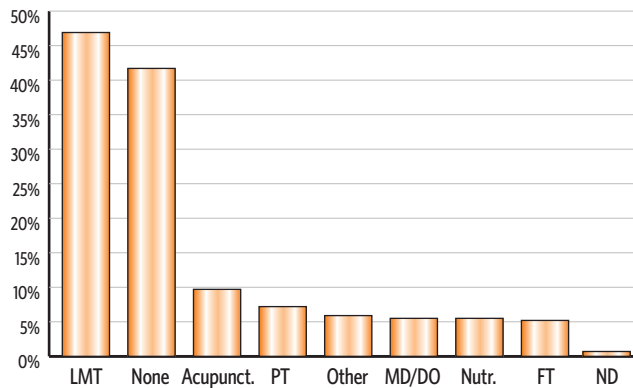
While it's not for everybody, practicing in an integrated clinic offers many distinct advantages for the healthcare professional. Our annual fees and reimbursements survey has also indicated over the years that it typically means higher reimbursements for those doctors.

Last year, those tides shifted a bit with integrated clinics reporting lower reimbursement rates than those without specialists. This year might be a clear indication that the trend is valid.

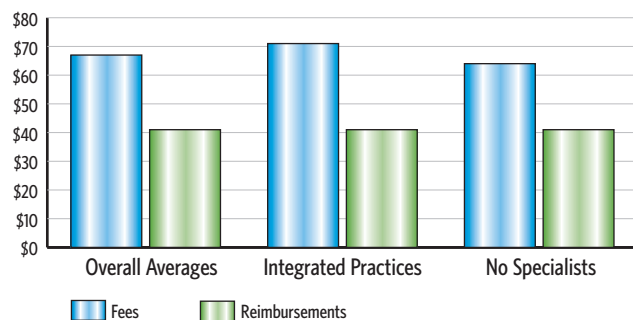
Those practices with specialists reported average fees and reimbursements of \$71 and \$41, respectively, while non-specialists clinics reported average fees and reimbursements of \$64 and \$41, respectively. This means that practices with specialists saw a reimbursement rate of nearly 58 percent, while those without specialists had a reimbursement rate of 64 percent.

For those practices with specialists, licensed massage therapist (LMT) was still the most popular modality, with 47 percent having one in their clinic. LMT was followed by acupuncturist (8 percent), physical therapist (7 percent), MD/DO (6 percent), nutritionist (6 percent), fitness trainer (5 percent), and naturopathic doctor (1 percent). Another 6 percent answered "other." •

Specialists on Staff in Chiropractic Practices



Integrated Healthcare vs. No Specialists



Franchising facts

The idea of franchising might sound at odds with the philosophy of chiropractic. How can a tailored, personalized form of healthcare be delivered in a model developed for restaurants and hotels? But properly executed, franchises reduce business uncertainty and many offer marketing and training expertise.

While franchises have seen a bit of a decline for the past couple years, this year's survey saw 5 percent of DCs reporting as franchisees. This is up 11 percent from 2012 and 7 percent from 2011, but still down significantly from 2010 when almost 7 percent of DCs practiced in a franchise.

And while fees were up (\$68 from \$67), doctors working in a franchise also saw their reimbursements drop (\$37 from \$41). As a result, reimbursement rates for franchise doctors

also saw a slight decline (54.5 percent from 56 percent).

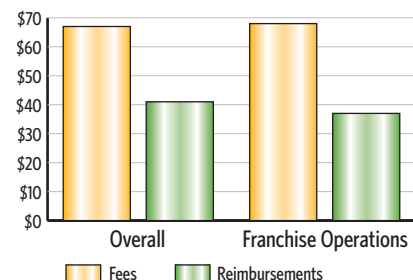
Other notes

Unlike previous years, this year's survey indicates that franchise owners are older than reported in previous years (52 years compared to 46 in 2012 and 47 in 2011). Another notable change is the number of female franchise owners. While the majority is still male (67 percent), the number of women practicing in a franchise rose almost 13 percentage points over last year's survey.

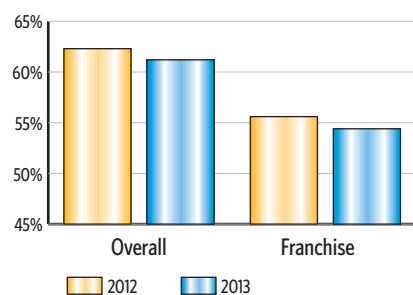
The average franchisee has been practicing for 21 years, owns one practice, and is licensed in one state.

Approximately 80 percent of franchise owners run a solo practice, while the remaining 20 percent operate in a group setting. •

Comparison of Franchise Fees and Reimbursements with Overall Averages



Franchise Reimbursement Rates



Is cash king?

Despite steady growth over the last few years, the number of DCs operating cash-based practices declined significantly in this year's survey, with just 12 percent saying they follow a cash-based model.

This is down from 17 percent last year and 15 percent in 2011, but still up slightly from the 11 percent in 2010 and 9 percent in 2009.

For those practitioners in cash-based practices, average fees were reported at \$61 — \$6 less than the overall average fees and more in line with last year's cash fees of \$58 and 2010's cash fees of \$59.

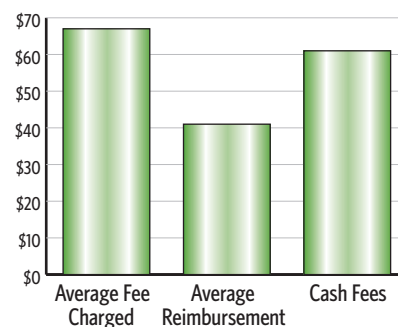
By strict definition, a cash-based practice would have no reimbursements. So, fees in a cash-only practice are equivalent to reimbursements (collections). Cash-only practices fees of \$61 are nearly 50 percent larger

when compared to the overall average reimbursement of \$41.

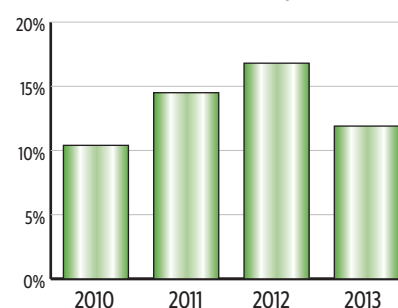
Your typical cash-only practice respondent is male (76 percent), with an average age of 50, and working in a solo clinic (76 percent). Those respondents operating cash-only practices have been working as a practitioner for 20 years.

Regarding cash-only practices: 50 percent offer exercise programs, 47 percent offer nutrition, 37 percent offer laser therapy, 34 percent offer electrotherapy, 29 percent offer massage, 29 percent offer physical therapy, 26 percent offer instrument-assisted soft tissue mobilization, 18 percent offer weight loss programs, 18 percent offer fitness devices, 16 percent offer acupuncture, 13 percent offer homeopathy, 8 percent offer decompression, and 5 percent offer medical services. •

Cash Fees vs. Reimbursements



Growth of Cash-Only Practices



Battle of the sexes

While the number of female respondents declined slightly over last year (our highest percentage ever), the 26 percent of DCs who did respond as females is still a very encouraging number.

Female chiropractors reported higher average fees than male DCs (\$75 to \$65), but reported lower reimbursement averages (\$37 to \$42). As a result, female practitioners also saw significantly lower reimbursement rates than male DCs (49 percent to 65 percent) — a 32-percent difference.

The 65 percent reimbursement rate for men is four percentage points higher than their 61 percent reimbursement rate in 2012.

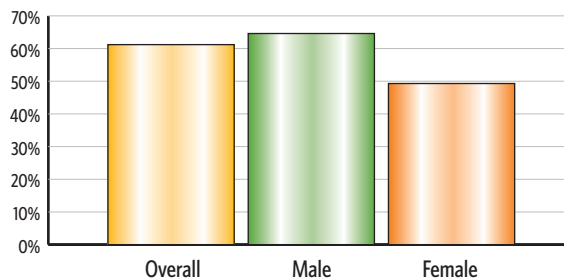
Women respondents reported younger ages (45) compared to men (49).

As a result, female DCs reported being in practice for fewer years (15), while male respondents have been in practice for an average of 20 years.

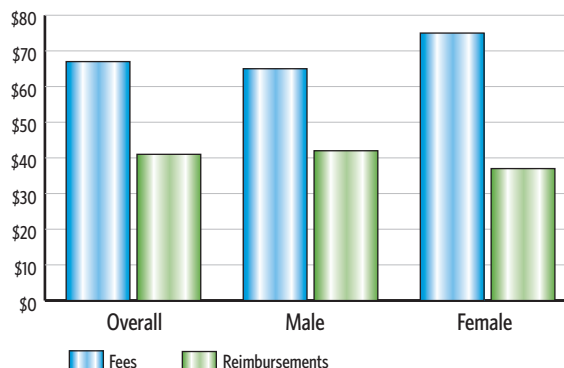
Last year, 24 percent of women reported working in group clinics. This year, that number rose to 27 percent. Comparatively, 24 percent of men worked in groups last year. This year, that number rose slightly to 26 percent.

When it comes to modalities, electrotherapy was the most popular among both male and female practitioners. Exercise and nutrition were the second- and third-most popular, respectively. •

Reimbursement Rates: Male vs. Female



Comparison of Fees and Reimbursements by Sex



Comparisons by Sex

	Overview	Male (74.4%)	Female (25.6%)
Personal			
Age	48.2	49.4	44.8
Years in practice	19.0	20.3	15.0
Types of practices			
Solo	67.6%	69.1%	63.0%
Group	26.1%	25.8%	27.2%
Associate	6.3%	5.1%	9.8%
Owns franchise	4.8%	4.3%	6.3%
Cash only	11.9%	12.3%	11.1%
Modalities			
Chiropractic	99.7%	99.2%	100.0%
Electrotherapy	66.0%	65.3%	67.9%
Exercise	63.5%	61.9%	67.9%
Nutrition	59.1%	58.9%	60.5%
Massage	49.4%	50.4%	46.9%
PT/rehab	49.1%	47.9%	51.9%
Instrument adj.	35.2%	32.6%	42.0%

	Overview	Male	Female
Modalities			
Laser	31.1%	28.8%	37.0%
Acupuncture	24.8%	21.6%	34.6%
Weight loss	23.9%	25.0%	21.0%
Decompression	21.4%	23.7%	13.6%
Fitness	20.1%	19.1%	23.5%
Homeopathy	14.5%	16.1%	9.9%
MD/DO	6.0%	5.1%	8.6%
Other	9.1%	7.2%	14.8%
Specialists			
None	41.7%	41.6%	40.1%
LMT	46.9%	47.2%	44.7%
Acupuncture	9.7%	7.5%	15.8%
PT	7.2%	7.0%	7.9%
Other	5.9%	6.5%	3.9%
MD/DO	5.5%	4.7%	7.9%
Nutrition	5.5%	6.5%	2.6%
FT	5.2%	5.1%	5.3%
ND	0.7%	0.9%	0.0%

Paying it forward

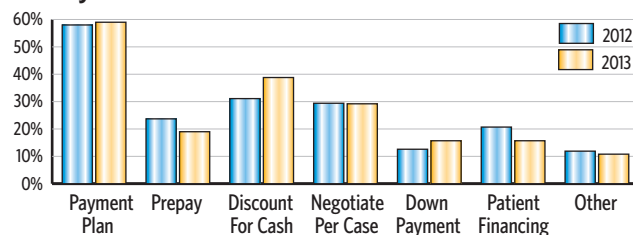
How DCs let patients pay for their care changed slightly from last year's survey. The number of doctors offering payment plans rose from 58 percent to 59 percent this year. However, this number is still down from the 68 percent in 2011, 69 percent in 2010, and 74 percent in 2009.

The biggest change was in those offering a discount for cash. Last year 31 percent of DCs said they offered a discount for cash compared to nearly 40 percent this year.

The largest decline was in patient financing, which saw a decline from 21 percent of DCs offering it last year to 16 percent in this year's survey.

The remaining responses were "negotiate per case" (29 percent), "prepay" (19 percent), and "down payment" (16 percent). •

Payment Plans



More codes to consider

Each year, we ask for additional information on three codes: 95851, range-of-motion testing; 95831, muscle testing; and 97750, physical-performance evaluation. It should be noted that we *did* include these codes when calculating the fees and reimbursement averages for the other sections.

Average fees for range-of-motion testing were \$43, while average reimbursements were \$25 — a reimbursement rate of 58 percent.

Average fees for muscle testing were \$52, with an average reimbursement of \$28 — a reimbursement rate of 54 percent.

Average fees for physical-performance evaluation were \$73, with an average reimbursement of \$45, and a reimbursement rate of 62 percent. 📊

Additional Codes

