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Fees

By Vivian Madison-Mahoney, LMT

While it seems there are no laws regarding fees that may be charged to patients or insurance companies, there are certainly ethical and other considerations.

I am asked frequently to write about or offer my opinion on massage therapist fees.

This is a sensitive subject with some, and therefore a difficult subject for me to write about. I ask you to please bear in mind when reading this article that mitigating circumstances may modify what one may charge or expect for reimbursement.

I am not recommending fees, but offering my opinion and suggestions, which are based upon personal experiences. My experiences consist of 16 years of billing and being reimbursed by insurance companies for prescribed medical cases referred to our office. Experience also comes from 37 court appearances, hearings and depositions. My opinions and advice also are based on communications with insurance companies, auditing companies, and defense attorneys. I am asked often about the legal and/or ethical billing practices of massage therapists, including fees and codes used. Finally, my recommendations are based on reports of denials or reductions from those who charge high rates and call or e-mail me later asking what they should do.

Insurance companies will not tell you what you can charge. However, they do set the amounts they will pay. Insurance companies normally reimburse at the established usual, customary and reasonable, (UCR) rate per geographical region.

I know some people who teach billing to massage therapists and advise them that they can or should bill high -- upward of \$145 - \$175 or more per visit. In my opinion, this is totally outrageous. Their explanation or reasoning for this is that insurance companies will pay it, usually based upon RBRVS.

According to the glossary of terms in the 2001 edition of the American Medical Association (AMA) publication *Medicare RBRVS: The Physicians' Guide*, RBRVS is defined as follows:

"Resource-Based Relative Value Scale (RBRVS), a relative value scale based on the resource cost of providing physician services was adopted in OBRA 89 as the basis for physician payment for Medicare Part B services effective January 1992.

The relative value of each service is a sum of relative value units (RVUs) representing physician work, practice expense, and professional liability insurance, all adjusted for each locality by a geographic adjustment factor and converted into dollar payment amounts by a conversion factor".

RBRVS takes into consideration the cost of a physician's practice overhead, rent, staff salaries and benefits, medical equipment and supplies. It is one of three resource cost components included in the formula for computing Medicare payment schedule amounts. Another of the three resource cost components includes the physician's work. "Physicians work includes the physician's individual effort in providing a service, which includes time, technical difficulty of the procedure, severity of the patient's condition, and the physical and mental effort required to provide the service."

You and I both know that our overhead cost of doing business and professional liability insurance are nowhere near a physician's costs, not even taking into consideration the work components involved. So if you think you are worth the same fee as a physician, or think you should charge outrageously high rates, please think twice. (A recent report stated that most physicians' medical malpractice insurance is in excess of \$250,000 a year, causing some physicians to have to retire early or relocate their practices to other states).

For example, some insurers may allow as much as \$45 per each unit or 15 minutes of treatment for CPT Code 97140, Manual Therapy Techniques. Does this mean we need to be billing that much? No! Does that mean we need to be reducing our fees per code to \$10-\$15 per unit? No! Billing too low can be as bad as billing too high. Carriers enter codes and fees into a database. They later establish usual, customary, and reasonable fees, according to fees and codes entered in their databases per geographic region.

If we bill too low, we harm the other professionals who may use these codes and who have a higher cost of doing business incorporated in their fee structure. By the same token, if we charge too much, we harm ourselves in several ways:

- If we overbill, it may cause insurers to feel justified in denying our services and/or to write massage therapy out of policies entirely.
- Overbilling may cause physicians or other entities to refer to someone else.
- Overbilling may cause patients to discontinue therapy and not complete the allotted treatments prescribed by the referring physician. This is especially true when patients are billed for and are unable to pay the balance or co-pay (which you are required to bill them for).
- Overbilling may cause patients to look elsewhere for therapists who are willing to provide their prescribed treatments for less.
- Overbilling can hurt the profession in the long run. It was reasonable fees, savings to insurers, quality service, and patient/physician satisfaction with our services that got us in the insurance system in the first place.
- Overbilling can cause many who have come to love massage therapy, and those who need it, to go without because they can no longer afford it.
- Ultimately, overbilling may actually cost you income.

When I began working with insurance companies in 1984-85, we billed our prescribed cases at \$56 per hour of therapy, later raising our fees to \$65. We retained this fee for many years. The maximum fee we ever billed from our office was \$95 with one or more modalities added, and only when prescribed. (This did not include special services or initial visit fees.)

If all insurance companies suddenly got together and decided that our services were costing them more than it was worth, what would we do? What would those patients who need our services do? Unfortunately, most insurers do not really care about patient recovery, prevention of medical problems, etc. Insurance companies care about the bottom line: cutting costs and saving money!

We have just begun to get our feet in the door and be recognized and accepted by insurance companies. Make no mistake; we have a long, long way to go.

What type of wage were you making before you became a massage therapist? Many of us were making minimum wage, if that. What makes us think that, just because we obtained a license with minimal training, we should now be making the same as others who have invested untold capital and spent years of training and residency time?

In the past few years, I have seen and heard of too many therapists just out of school who thought they could earn a ton of money without having to work for it. With this attitude, it is impossible to achieve any great level of success. (If it is possible, will someone please tell me how?) I have heard of massage therapists who complain to patients that they are not making enough money when working for a chiropractor or in another therapist's establishment. They complain to clients that they are only being paid \$25 (or more). They complain, while working in a clean, quiet, air-conditioned room, with no overhead or worries, to clients who work in 95 to 100 degree weather or in rain and snow and make only \$8 per hour. Now tell me, how in the world do you think that makes clients feel? Do you think they will feel sorry for therapists, especially when it is their \$8 per hour that is being scrounged and saved to pay for massage? (This may be exaggerated a bit, but I guarantee, not by much). My husband, for example, a licensed funeral director and embalmer, managed a multimillion-dollar funeral home earning only \$20 per hour. He certainly does not feel sorry for us when we complain about what we earn.

We need to reassess our values, training and goals. If we don't, what we have all worked so hard for will be priced right out of reach of the average person, and massage will be right back where it once was, available only to the wealthy as a luxury treatment.

Yes, we work hard -- probably harder than any other health care professional. Our work involves constant giving, caring, and it requires great physical effort. Additional educational training is expensive and time-consuming. Setting up our offices with the best equipment and supplies is expensive, too. I have been there, I know! But we still do not fall into physician or other health care provider categories when it comes to expense and time involved.

We are so fortunate to be in a profession that has grown so much and been so widely accepted in such a few short years, so to put it bluntly, let's not screw it up!

Let the following be your guide for rate setting:

If you can comfortably and confidently answer to any judge, jury, and especially a defense attorney, why you charge what you charge, and can prove sufficient functional outcome for the patient because of your therapy, then set your fees to what you think you should be getting. Otherwise maybe you had better stay in the safe zone. But remember, thinking you are worth excessive fees is no grounds for an insurer or patient /client to think the same.

As I was sitting down to write this article, I received a call from a defense attorney in Orlando, Florida regarding a therapist's billing practices. In this particular case, I believe I helped prevent the therapist's bills from being denied and avoided a potentially embarrassing court proceeding. However, it is not always that easy, especially when I am deposed to testify, as has happened before. I do not like testifying, or even indicating to an attorney or an insurer that a therapist is possibly in the wrong. I want to help you, not go against you!

Click [here](#) for more information about Vivian Madison-Mahoney, LMT.



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