

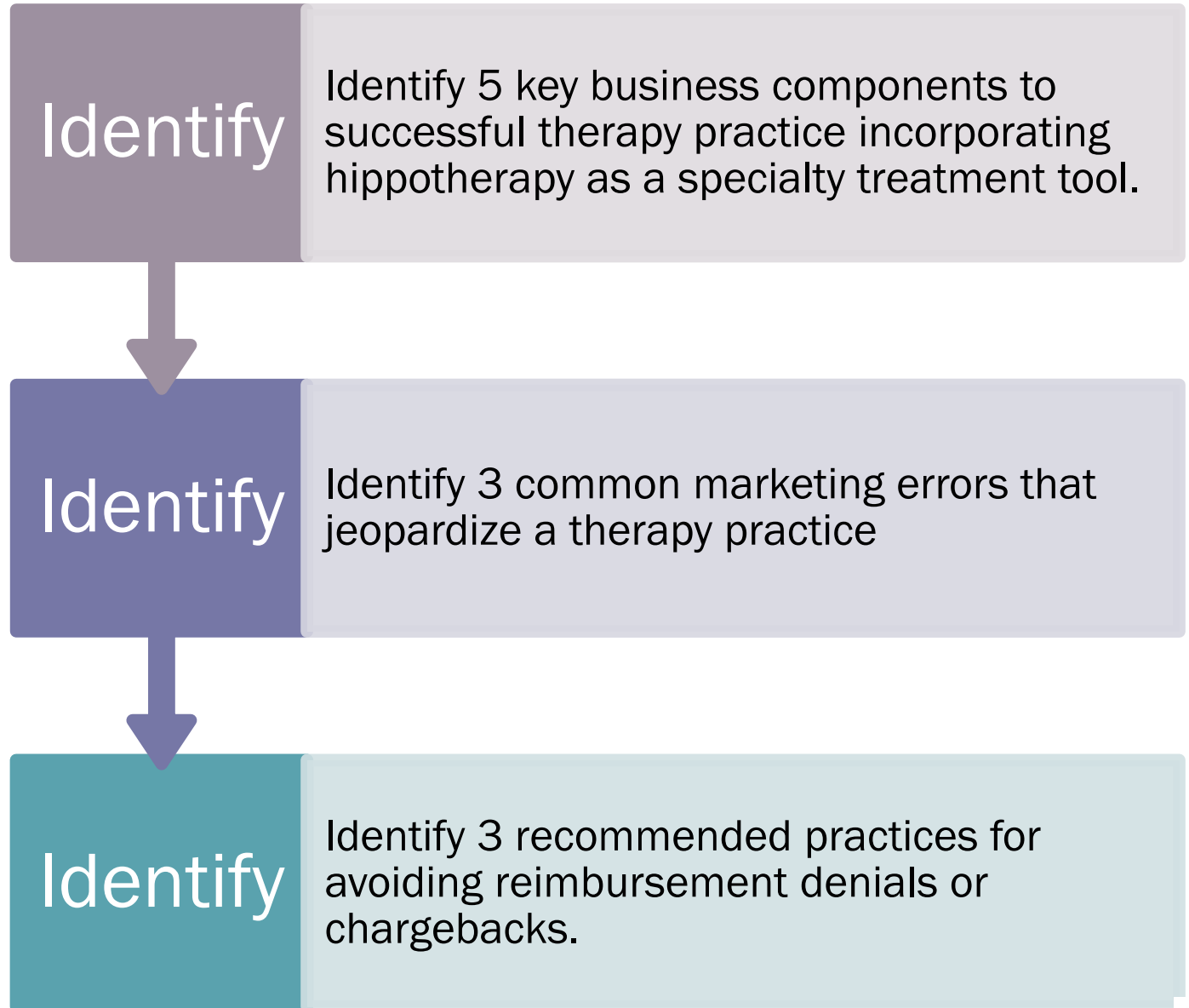
BEST BUSINESS AND REIMBURSEMENT PRACTICES – UPDATES FOR SUCCESS

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DISCLOSURES

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LEARNING OUTCOMES



WHAT HIPPO THERAPY IS:

- The term *hippotherapy* refers to how occupational therapy, physical therapy and speech-language pathology professionals use evidence-based practice and clinical reasoning in the *purposeful manipulation of equine movement as a therapy tool* to engage sensory, neuromotor and cognitive systems to promote functional outcomes.
- Best practice dictates that occupational therapy, physical therapy and speech-language pathology professionals integrate hippotherapy into the patient's plan of care, along with other therapy tools and/or strategies. (AHA, Inc. 2019)

“Equine movement as a therapy tool can be used to facilitate neuromotor systems that support functional skills in our patients”

WHAT HIPPO THERAPY IS NOT:

*A separate therapy **service***

*A therapy **program***

*A therapy **modality***

*A specific therapy **strategy***

*A specific therapy **procedure***

EDUCATE AND PREPARE YOURSELF

1

**Follow your
practice act**

2

**Understand the
“business” of
hippotherapy as
a treatment tool**

3

**Anticipate the
challenges you
might face**

4

**Adhere to the
Best Practices
laid out by the
AHA, Inc.**

BUSINESS BASIC :

ESTABLISH A BUSINESS STRUCTURE

Sole Proprietor (*includes the independent contractor who is providing therapy services under contract to an existing adaptive riding facility*)

Partnership

Limited Liability Corporation

General Corporation

S Corporation

Non-Profit Corporation

BUSINESS BASIC :

YOU ARE A THERAPY PRACTICE

- Identify yourself as a therapy practice in name and in marketing
- Have a Tax Identification Number representing the therapy practice
- Make sure your NAICS number reflects you in the correct “industry”

Typically, your primary NAICS number should be:

621340 Offices of Physical, Occupational and Speech Therapists, and Audiologists

WHAT IS AN NAICS CODE?

A NAICS (pronounced NAKES) Code is a classification within the North American Industry Classification System. The NAICS System was developed for use by Federal Statistical Agencies for the collection, analysis and publication of statistical data related to the US Economy.

Identifies the primary industry that your business represents

Businesses that offer a 'targeted' focus will have a single NAICS code

Businesses that offer a variety of very different programs/services can designate a *primary* NAICS code and *secondary/tertiary* NAICS codes

NAICS CODE

- In healthcare services it can be used by
 - *Malpractice/liability companies and Worker's Compensation insurance to help in assigning risk and establishing premiums*
 - *Health insurance companies to identify the nature of services and may factor into whether a service is a "covered benefit"*
 - *Identifies the business entity "industry" to the Internal Revenue Service*
 - *Various government agencies, trade associations, and regulatory boards have adapted the NAICS classification system for their internal needs.*

Problem Scenario

- A PATH, Intl. Center offers adaptive riding services and is incorporated as such. They wish to expand to offer therapy services that include hippotherapy as a treatment tool. They would like to bill health insurance for the therapy services rendered. Their Tax Identification Number is tied to their NAICS industry code as a horseback riding facility.
- Their primary NAICS number is 713990: Other amusement and recreation activities, ie. horseback riding.

Issues

Therapy professionals do not typically work in “recreational” facilities

Red flags third party payers (health insurance) and can delay or prevent reimbursement through health insurance plans.

Worker’s Compensation “rating” is as an equestrian facility – higher risk rating

Solution #1

- The Path, Intl. center can establish a separate business identity for the therapy practice that they are operating within their premises.
 - *Name*
 - *TIN*
 - *NAICS code)*

- Marketing, scheduling, billing, and documentation should all be separate from the equine programming that the center offers.

- Clearly separates the therapy practice from the adaptive riding program

Solution #2

- The Path Intl. center can maintain its industry identity as an adaptive riding center under their initial TIN and primary NAICS code of 713990: *Other amusement and recreation activities, i.e. horseback riding.*
- *They can establish a secondary NAICS code to represent the in-house therapy practice: 621340 Offices of Physical, Occupational and Speech Therapists, and Audiologists*
- *Marketing, service delivery, documentation and coding procedures MUST reflect standard therapy practices*

***** Note that stakeholders such as liability insurance carriers and health insurance payers may still see only the primary NAICS code associated with the center's primary function as a recreational facility***

BUSINESS BASIC: *MARKET YOUR PRACTICE CORRECTLY*

- Adhere to the AHA, Inc.'s Terminology Use
- Marketing materials should leave no doubt that yours is a standard therapy practice

ADVERTISING
WEBSITES

BROCHURES

Therapeutic Horsemanship of New Mexico

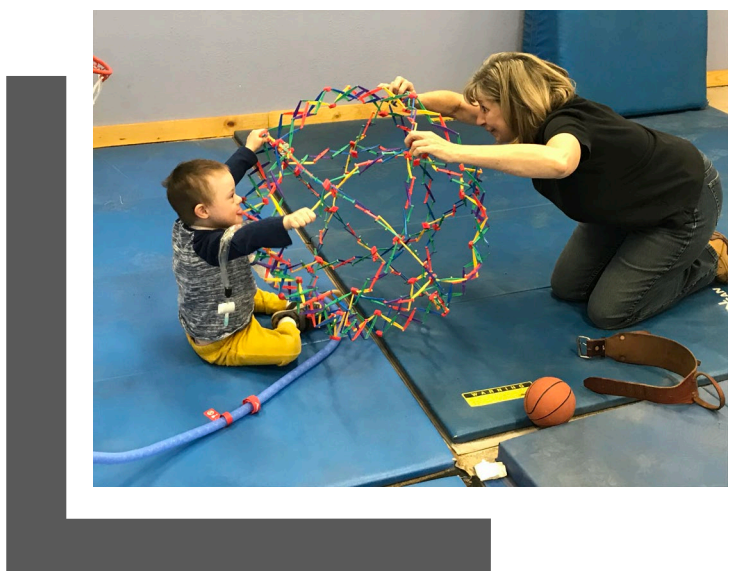
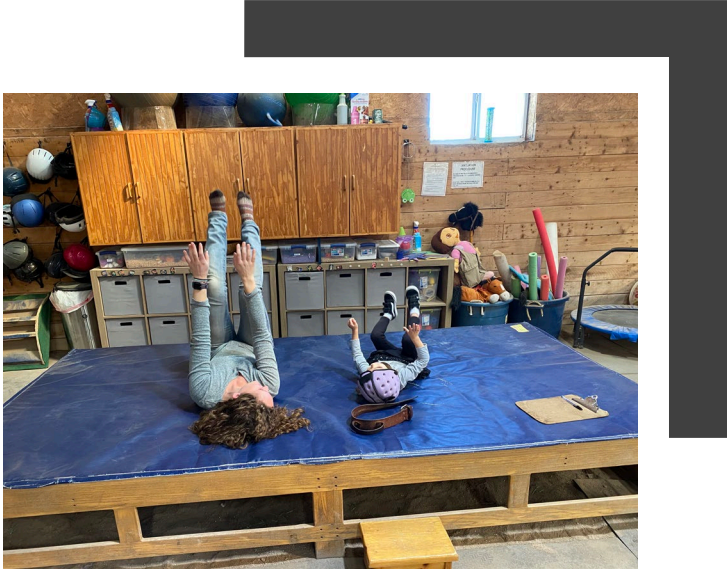


**Horse Therapy?
Adaptive Riding?
Hippotherapy Services?**

Skylines Therapy Services



Clearly Therapy Services
for People



MARKET YOUR PRACTICE CORRECTLY

Photos and verbiage should be representative of a variety of tools and therapy activities within your therapy discipline

- *Consider how every word in your marketing can “be misinterpreted”*
- *Do not create impression that “horses do therapy”.*
- *Therapy services that are marketed as part of a range of services offered at an equestrian facility must be representative of best therapy practices.*

***LEAD WITH YOUR THERAPY SERVICE –
NOT YOUR THERAPY TOOL***

COMMON MARKETING ERROR: FAILURE TO USE CORRECT TERMINOLOGY

- Advertising ‘Hippotherapy Programs/Services’
 - *Advertises a false therapy service – you are not a “hippotherapist”*
 - *Separates use of hippotherapy from your standard practice as an OT, PT or SLP*
 - *Puts the therapist at risk both ethically and legally*

COMMON MARKETING ERROR: FAILURE TO USE CORRECT TERMINOLOGY

- Advertising Equine Assisted Therapy or Equine Therapy
 - *Horses do not provide therapy services – licensed therapy professionals do*
- Co mingling therapeutic/adaptive riding programming with therapy services
 - *Consumers have difficulty understanding the difference*
 - *Confusion can lead to ethics violations for the therapy professional*

Problem Scenario:

- An equine facility offers a range of services including able bodied riding instruction, adaptive riding activities and therapy services that include equine movement as a tool. Their website and brochures advertise their “Equine Assisted Services” which include:
 - Horsemanship instruction
 - Therapeutic/Adaptive Riding Program
 - Hippotherapy Program Provided by AHCB certified occupational, physical and speech-language therapists

Issues

- Creates the distinct impression that Hippotherapy is a “therapy service” that is provided by OT, PT and SLP professionals.

Marks “hippotherapy” as **separate** from OT, PT and ST

- The descriptor “*Equine Assisted* Services” promotes the erroneous message that the “horse is the **primary** entity” in treatment

- *Remember*, equine movement is one of the many tools used in the treatment session

Problem Scenario:

- An occupational therapist and a speech-language pathologist are partners in a private practice and recently added equine movement as a therapy tool. They are marketing their services and their new specialty tool:

Occupational and speech-language therapy services

- *“We offer hippotherapy”*
- *All photos on website and in brochure are of patients with horses*
- *There are references to “equine assisted therapy” and/or “equine therapy:*

Portrays this clinical practice as ONLY using horses in therapy – does not reflect a standard clinical practice providing medically necessary therapy services

SOLUTION For Both Scenarios

- ✓ Adhere to the AHA, Inc. Terminology Document
- ✓ Use the AHA, Inc. “Marketing your Practice Brochure”
- ✓ Use website layouts/photos that accurately portray your clinical practice overall – photos of different therapy tools and activities
- ✓ List specialty skills or specialty tools as such:

We offer OT, PT and ST services

“We specialize in using equine movement as a therapy tool”

BUSINESS BASIC : *YOU HAVE RESPONSIBILITY*

- ❑ As the *therapy practice owner*, you are legally and ethically responsible for how the therapy services that include hippotherapy as a treatment tool are marketed, provided, documented and billed.
- ❑ As a *therapy professional employed* by a therapy practice or another facility that seeks to provide therapy services that include hippotherapy as a treatment tool, you still have legally and ethically responsibility for how your therapy services are being marketed, provided, documented and billed.



Problem Scenario

- A physical therapist is employed by a large equine facility that specializes in adaptive riding. The facility's name emphasizes horses. The therapist treats 15 hours a week at this facility and does not have a treatment area separate from the arena/barn aisle. The therapist's sessions are scheduled for 30 minutes which is the standard time for adaptive riding sessions at this facility. Due to the time constraint, the patient is seen only on the horse – dismounts and is finished with the session.
- Families pay out of pocket for therapy but are submitting claims to their health plan. The therapist provides a superbill with appropriate CPT codes.

Issues

- Facility and the physical therapist are at risk for a chargeback from the families' health insurance plans:
 - *Therapy sessions appear to be focused entirely on the use of a horse*
 - *No time for addressing functional treatment goals off the horse*
 - *Facility's name implies "horseback riding" not therapy*
 - *The family will not be the liable party – the facility and the therapist will be - due to the impression that the physical therapy is really "equine therapy"*

SOLUTION

- ✓ The facility needs to set up a separate business entity to represent the therapy practice
- ✓ The physical therapist needs to design the therapy sessions to allow time for treatment off of the horse – targeting the patient’s specific treatment goals
- ✓ A variety of therapy tools/activities should be utilized
- ✓ All standard therapy documentation should be in place: Physician referral, Formal PT Evaluation, treatment notes that reflect the entire clinical process and that provide clinical data showing progress towards specific patient treatment goals.

**BUSINESS
BASIC:
*KNOW YOUR
'BREAK
EVEN" POINT***

Important to establish how much therapy revenue you need to generate to be financially solvent.

Translates to “how many therapy sessions” needed to offset your fixed expenses and account for variable expenses.

Most businesses start out “in the red” until they can establish a sufficiently steady revenue stream that balances against their expenses.

Simplest Method – To determine break even point on an hourly basis

- Determine the number of hourly patient treatments available in a month
- Divide your monthly expenses by the number of patient treatments
- This gives you a hourly break even
- Not always reliable if there are many variable expenses

Example: “ABC Therapy Clinic”

- ❑ Monthly expenses are \$10,000.00 (includes wages for horse handler but not for owner)
- ❑ Currently provide 160 therapy sessions /month (40/week)
- ❑ \$10,000.00 (expenses) divided by 160 sessions equals \$62.50/hour as break even point.
- ❑ Average reimbursement per therapy hour is \$90.00. Income is \$14,400 /monthly
- ❑ Net per therapy session is \$27.50/hour or \$4,400.00 monthly

What does an increase in hourly rate do?

- Rate for therapy increased to \$110.00/treatment hour
- Monthly income increases to \$17,600.00
- Expenses remain the same
- Net increases from \$27.50 to \$47.50/therapy hour or \$7,600.00 monthly for practice owner

ABC Clinic's price increase

- ❑ \$3,200.00 per month increase in potential net
- ❑ Need to factor in average 8% cancellation rate (12-13 sessions monthly)
- ❑ Hold roughly \$1,400.00/monthly as a buffer against cancellations - unforeseen expenses
- ❑ Leaves \$6,200.00/month for practice owner or \$74,400.00 annually

Addition of another therapy professional

- ❑ Expansion results in monthly expenses of \$17,560.00 – added a therapist and 1 horse handler.
- ❑ Expansion allows for doubling number of therapy sessions to 320/month (80/week)
- ❑ Average reimbursement per session remains \$90/hour and \$28,800/monthly
- ❑ \$17,560.00 (expenses) divided by 320 therapy sessions equals \$54.88 break even point
- ❑ Net is \$35.12 per therapy session or \$11,238.40

ABC Clinic's Expansion

\$11,238.40 / month net budgeted thus:

\$2,250.00 – buffer against an average 8% cancellation rate (25 sessions per month)

\$2,090.00 – Retained as buffer for unexpected expenses

\$6,898.40 / month wages for the Practice Owner
(\$82,780.80 annually)

PRIVATE PRACTICE RESOURCES FOR THERAPY PROFESSIONALS -

- American Physical Therapy Association Private Practice Section

<https://www.apta.org/your-practice/practice-models-and-settings/private-practice>

- American Occupational Therapy Association

<https://www.aota.org/advocacy-policy/federal-reg-affairs/pay.aspx>+

- American Speech-Language-Hearing Association

<https://www.asha.org/slp/Private-Practice-in-Speech-Language-Pathology/>

BUSINESS BASIC: *BE AUDITABLE*

Follow

Follow documentation and treatment coding guidelines established by your national therapy association..

Use

Use standard therapy language in your clinical documentation.

Code

Code therapy services under the HCPCS Level I CPT codes – Use the codes appropriate to the therapy service you are licensed to provide.

DOCUMENTATION AND CODING

Establish “medical necessity” for skilled therapy services through medical referrals for services, formal therapy evaluations, individual therapy session notes, and re evaluations.

Regardless of payer sources, have all appropriate clinical documents up to date and safety secured – either in paper form or electronically.

Do not use alternative “coding systems” and **do not** use the HCPCS Level II code S8940 Hippotherapy/Equestrian therapy.

AHA, INC.'S POSITION ON CODING/BILLING

AHA, Inc. consistently communicates with AOTA, APTA and ASHA.

AOTA, APTA and ASHA have clearly conveyed to AHA, Inc. that therapy professionals are to follow the standard coding and billing practices for their respective therapy disciplines.

<https://www.americanhippotherapyassociation.org/reimbursement-toolkit>

AHA, INC. CODING/BILLING PRACTICE STATEMENT

...Use the *Healthcare Common Procedure Coding System (HCPCS) Level I Current Procedural Terminology (CPT)* codes when coding and billing for occupational therapy, physical therapy, speech-language pathology services where hippotherapy is part of the skilled intervention that has been incorporated into a plan of care.

AHA, INC. CODING/BILLING PRACTICE STATEMENT

It is the responsibility of the treating therapy professional to determine what billing codes best represent the clinical service being provided and the clinical processes reflected within that service.

To use any other coding to represent therapy services rendered by a licensed physical therapy, occupational therapy or speech-language therapy professional has ethical and legal implications for the treating therapist.

REIMBURSEMENT ISSUES RELATED TO EQUINE MOVEMENT AS A THERAPY TOOL

Marketing materials that create the wrong messaging to the public (which includes insurers)

- Practice Names that over emphasize “horses” – not reflective of balanced clinical service
- Websites/brochures advertising “hippotherapy programs”
- Websites/brochures advertising “equine assisted therapy or equine therapy”
- Any impression that “horses’ are the only thing used in the therapy sessions

REIMBURSEMENT ISSUES RELATED TO EQUINE MOVEMENT AS A THERAPY TOOL

Clinical documentation that does not support the therapy billing codes being used

- Doesn't establish medical necessity for skilled OT, PT and/or ST services
- Doesn't use "therapy first" standard clinical language
- Doesn't support the CPT code used.
- Standard evaluation/re-evaluations are not done timely

Understanding Chargebacks

- Most insurance chargebacks have occurred to out of network providers
 - *Inappropriate “branding” and marketing of their therapy services*
 - *“Doing” hippotherapy in isolation: Putting one’s practice outside of standard treatment protocols*
 - Never the case that only “one therapy tool’ should be used exclusively for all patients*
 - *Poor clinical documentation supporting medical necessity for skilled therapy services*

S8940: Hippotherapy/Equestrian Therapy, per session

Most insurance companies have it listed as an exclusion-which is appropriate in that “there is no such services as Hippotherapy or Equestrian Therapy”

It is inappropriate for an insurance company to “DIRECT” a therapy professional on which codes to use -

Licensed therapy professionals should always use the appropriate HCPCS Level I CPT codes to identify the therapeutic procedures and clinical applications in a treatment session.

S8940: Hippotherapy/Equestrian Therapy, per session

Incorrect representation of “hippotherapy” as a separate service

- *HCPCS Level II code: Medical products and Related Healthcare services*
- *Generated by Blue Cross Blue Shield Association in 2001 to create an automatic denial code*
- *Confuses the use of equine movement with therapeutic riding*

REMOVAL OF S8940

AHA, Inc.'s Ethics, Advocacy and Reimbursement Committee has talked with BCBSA and with AOTA, APTA and ASHA

BCBSA heads up the HCPCS Level II Coding Section of the Centers for Medicaid/Medicare (CMS)

“THE BEST OFFENSE FOR REMOVING A ‘BAD CODE’ IS FOR NO ONE TO UTILIZE IT”

STATUS OF MEDICAID REIMBURSEMENT

Currently 37 states do not have exclusionary policy language related to the use of hippotherapy as a treatment tool

The Ethics, Advocacy and Reimbursement Committee is actively working with AHA, Inc. members in several of the 13 remaining states to resolve exclusionary language in Medicaid policies

S8940 – Hippotherapy/Equestrian Therapy – The only way to have this code be removed is for NO ONE to use it.

AHA, INC. RESOURCES – Guiding Practice

- Statements of Best Practice for the Use of Hippotherapy by Occupational Therapy, Physical Therapy, and Speech-Language Pathology Professionals
- Marketing your practice - Brochure - [Downloadable PDF](#) or Flyer - [Downloadable PDF](#)
- Don't Put Yourself at Risk paper: [Downloadable PDF](#)
- Use of Hippotherapy in Occupational Therapy, Physical Therapy and Speech Therapy: [Downloadable PDF](#)

<https://www.americanhippotherapyassociation.org/for-therapists-students>

**AHA, INC.'S
ETHICS,
ADVOCACY AND
REIMBURSEMENT
COMMITTEE IS A
RESOURCE FOR
ALL AHA, INC.
MEMBERS**



REFERENCES

- American Physical Therapy Association Private Practice Section
https://www.apta.org/your-practice/practice-models-and-settings/private-practice_2022
- American Occupational Therapy Association
<https://www.aota.org/advocacy-policy/federal-reg-affairs/pay.aspx> 2022
- American Speech-Language-Hearing Association
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2022

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<https://www.americanhippotherapyassociation.org/resources>

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