



Comparative Analysis of Insurance Policies and Their Impact on Physical Therapy Administration in Illinois and Nevada

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ABSTRACT

The aim of this study is to examine the difference between insurance policies and rules and how it affects patients receiving physical therapy treatment. A few objective measures that help us study the effects of these rules are through access to care for physical therapy, administrative burden on therapists documenting medical necessities and average length of patient care and outcomes. The comparative analysis in this study helps us to highlight how state laws and specific insurance rules influence the administration of physical therapy and helps with improvement of policy related rules. The finding suggests significant discrepancies in financial stability and administrative efficiency in physical therapy treatment in both the states.

Key words: insurance policies, physical therapy treatment

INTRODUCTION

Not only in the United States but also the whole world insurance policies influence the patient care, patient access, quality of care, healthcare delivery and healthcare cost. Physical therapy, the primary and first step patients usually take for their orthopedic issues, is affected by these policies too. This study helps to compare physical therapy administered in the states of Illinois and Nevada. It is important to understand the differences between these laws and policy administration to make improvements to healthcare systems. It is important to provide healthcare systems that will help patients get good care and access at an affordable rate.

BACKGROUND INFORMATION

Illinois and Nevada have separate healthcare systems and regulations governing the healthcare system. Illinois, larger than Nevada with a larger and more diverse population, has an extensive healthcare infrastructure, provisions and regulations. Nevada, with comparatively smaller population and majority living near Las Vegas, faces unique challenges, including rural healthcare access and lower insurance coverage rates. These separate scenarios provide a background for studying how state-specific differences in insurance policies affect physical therapy administration.

Overview of Healthcare Systems

Illinois's healthcare system is characterized by a wide range of healthcare providers and institutions, providing health care services to a diverse population across urban and rural areas. In the states of IL, as compared to urban areas the rural area does have comparatively less facilities in Nevada's healthcare system, while also diverse, faces more significant challenges in rural healthcare delivery and has a higher percentage of uninsured residents compared to Illinois.

Insurance Coverage Statistics

According to recent studies and statistics the state of IL has a higher insurance coverage and is more widespread than the state of Nevada for its patient treatment. Uninsured individuals in the state of IL are at 6.8% whereas the in the state of Nevada the number revolved around 11.4% (U.S. Census Bureau, 2023). The difference of 4.5% is huge when it comes to these states which affects the coverage rates in the state, its influence in access to physical therapy service in the respective states.

INSURANCE POLICIES IN ILLINOIS

The state of Illinois has extensive healthcare system with in-state residents having multiple options to choose their healthcare providers. This includes Blue Cross Blue Shield, Aetna, United Health care, Cigna, State Medicaid and Community Medicaid plans. Patients of the state or any state can access physical therapy in the state of Illinois with direct access without a doctor, nurse practitioner, physician assistant's referral which improves care and access (APTA, 2023). This does not only improve care and access but also reduces the burden on the healthcare system. Reimbursement rates are affected due to low rates for Medicare and Medicaid, posing challenges for service providers. Documenting medical necessities, administrative challenges and requirements including detailed documentation and cumbersome claim processes and processing times add to burden on physical therapy practices (CMS,2023).

Direct Access Laws

Illinois's direct access law for patients requiring care to be directly able to go to a physical therapist has been instrumental in increasing patient access to physical therapy services. These laws allow patients to receive physical therapy without having a need to go to the physician which may have longer wait times and then getting referral from a physician, thereby reducing delays in treatment and improving patient outcomes (APTA, 2023). This also sometimes leads to reduced overall healthcare costs to the system since many patients get relief from their symptoms reducing the need for going to a physician or needing MRI or other screening procedures.

Reimbursement Rates

Reimbursement rates in the state of Illinois for physical therapy services under Medicare and Medicaid are lower compared to other states with comparable healthcare and the national average. This can cap the financial practicality of physical therapy practices, specifically in underserved areas (CMS, 2023). Private insurers in Illinois also follow stringent reimbursement policies, often requiring detailed documentation and justification for treatments (Blue Cross Blue Shield Illinois, 2023). Incase of denials the physical therapist providing these services may have to go through cumbersome peer-to peer reviews in case of an appeal to overturn this decision.

Administrative Requirements

The administrative burden can include but is not limited to stringent documentation, other paperwork required for patient intake, consents, financial responsibility etc. Claim processes can be extensive with insurances having their own forms in addition to the medical necessity documented by the therapist. Processing these claims can take days leading to reduced access to timely care. Physical therapy practitioners often spend significant time on administrative tasks, which can detract from patient care (Illinois Department of Public Health, 2023). Patient care can improve if documentation requirements are reduced and make easier for healthcare providers.

INSURANCE POLICIES IN NEVADA

Nevada's healthcare system as compared to IL is smaller, includes major insurers like UnitedHealthcare and Anthem. The state also permits direct access to physical therapy, though implementation and use of this provision varies across providers and many times is based on the risk the providers are willing to take for reducing the risk for denials incase medical necessity can't be proven (APTA, 2023). Reimbursement rates in Nevada are better than in Illinois, offering better coverage for patients and financial incentives for practitioners. However, the state's practice act requirements need documentation standards are stringent, with cumbersome paperwork and compliance requirements that can hinder efficient treatment management (Nevada Division of Public and Behavioral Health, 2023). With lesser healthcare providers in the state this indirectly affects the actual number of patients that can be treated by a practitioner.

Direct Access Laws

Nevada's direct access laws are comparable to those in Illinois, allowing patients to seek access to care for physical therapy without a physician's referral. This has improved access to physical therapy services, especially in urban areas (APTA, 2023).

Reimbursement Rates

Reimbursement rates for physical therapy services provided in Nevada are higher as compared to Illinois. This can provide better financial stability for physical therapy practices and can lead to improved patient care and outcomes (UnitedHealthcare Nevada, 2023). But these rates can frequently change, which can be dependent on the contract with the providing company, denial rates, number of authorized visits etc.

Administrative Requirements

Despite higher reimbursement rates, Nevada's physical therapy practices face stringent administrative requirements. These include comprehensive and cumbersome documentation, adherence to detailed treatment plans, and frequent compliance audits. Higher administrative burden can potentially impact the efficiency and effectiveness of physical therapy treatment (Nevada Division of Public and Behavioral Health, 2023). This can also impact and have direct correlation with the length of stay the patient needs to complete the plan of care and indirectly affect the healthcare cost and overall burden on healthcare.

COMPARATIVE ANALYSIS**Access to Physical Therapy Services**

Illinois: Direct access laws enhance patient access, but low reimbursement rates limit service availability in some areas. Urban areas have better access compared to rural regions, where physical therapy services may be sparse. Patients often face longer wait times for appointments, particularly in Medicaid-dependent practices.

Nevada: Direct access laws are beneficial, and higher reimbursement rates support broader service provision. However, rural areas still face access challenges due to geographical and economic factors. Nevada's population is more in larger cities like Las Vegas and Reno leading to disparities in service availability in rural of smaller towns with less population, with urban centers like Las Vegas and Reno having better access and treatment options.

Reimbursement Rates and Financial Impact

Illinois: Lower reimbursement rates directly impact physical therapy practices financially, potentially reducing service quality and availability. This can lead to physical therapy companies opting to make profits more on volume than quality of care. E.g. Therapists need to treat 2-3 patients at a time versus 1:1 treatment. Practices in rural areas are particularly affected, with some unable to sustain operations successfully or needing to hire more physical therapy aids to assist patients in supervision of a therapist. Low reimbursement rates also impact the ability of practices to invest in new technologies and staff training, keeping recent advances in physical therapy which might affect length of stay and patient outcomes positive out of bounds.

Nevada: Higher reimbursement rates provide better financial stability therapy providers and patient outcomes. However, the variability in rates between insurers can create financial uncertainty. Practices in Nevada can more readily invest in advanced treatment technologies and continuing education for staff, enhancing the quality of care.

Administrative Burden

Illinois: Complex claims processes and extensive documentation requirements increase the administrative burden on practitioners. This can lead to reduced time for patient care and increased stress among physical therapy providers. Administrative tasks often require additional staffing, increasing operational costs (Illinois Department of Public Health, 2023).

Nevada: Compliance requirements and higher significant paperwork demands also leads to high administrative burdens, despite higher reimbursement rates. Practices may need to employ additional staff to assist the healthcare providers to create patient access, but this also leads to higher overhead cost increasing the operational expenses reducing profit margins (Nevada Division of Public and Behavioral Health, 2023). The administrative burden in Nevada includes frequent audits and compliance checks, which can disrupt practice operations.

Patient Outcomes and Satisfaction

Illinois: Financial constraints due to lower reimbursement rates, administrative burdens and volume-based care needing to treat more patients at the same time may negatively impact patient outcomes and satisfaction. Patients in rural areas or less populated areas may experience longer wait times due to lack of available services, difficulty hiring licensed therapist leading to limited access to physical therapy services. Lower reimbursement rates can lead to unethical practice standards and treating patients for longer durations due to reduced treatment time per patient or lack of advancements in the technology and staff training.

Nevada: Higher reimbursement rates support better patient outcomes, though administrative challenges persist. Patients in urban areas generally report better treatments, access to care, quicker resolution to their healthcare problems, while those in rural areas face similar access issues as in Illinois. Higher reimbursement rates allow for longer treatment sessions and more comprehensive care plans, improving patient outcomes which treat patients more holistically to reduce the recurrence ailment.

CASE STUDIES AND REAL-WORLD EXAMPLES

Case Study: Illinois Physical Therapy Practice

A physical therapy clinic in Chicago reports difficulties due to low Medicaid reimbursement rates, leading to reduced staffing and limited patient appointment availability. Despite direct access laws, financial constraints hinder service provision. The clinic struggles to balance the demands of administrative tasks with patient care, resulting in staff burnout and turnover. The clinic's financial instability has prevented investment in advanced treatment technologies, limiting the range of services offered.

Case Study: Nevada Physical Therapy Practice

A Las Vegas-based practice benefits from higher reimbursement rates, allowing for better staffing and service quality. However, the administrative workload remains a significant challenge, impacting practice efficiency. The practice hired additional staff to perform these administrative and compliance requirements, but this has increased operational costs. Despite these challenges, the practice has been able to invest in new treatment technologies and offer comprehensive care to their patients, improving patient outcomes and satisfaction. They were able to create more access to care by hiring additional staff.

Real-World Examples

Illinois: A rural physical therapy practice in southern Illinois has had to cap the number of Medicaid patients on its caseload due to low reimbursement rates and high administrative costs. This was more handicapping since they were not able to hire administrative staff unlike clinics in Las Vegas. This has reduced access to care for low-income patients in the area. The practice has also faced challenges in recruiting and retaining qualified staff, further impacting service delivery.

Nevada: A physical therapy practice in Reno reports success in leveraging higher reimbursement rates to invest in advanced treatment technologies and staff training, improving patient outcomes. However, the practice faces ongoing challenges with compliance audits and documentation requirements which were offset by adding staff to perform these duties. The practice has been able to offer specialized services and comprehensive care plans, leading to high patient satisfaction and improved clinical outcomes. This practice was also able to hire more qualified and experienced staff due to availability of funds.

DISCUSSION

The comparative analysis provides a deep insight on the direct access laws which are like each other but administrative burden in Nevada was easily offset due to higher reimbursement by employing additional staff versus in Illinois this was affected and healthcare providers had to take care of this burden reducing patient access. Illinois's lower reimbursement rates and high administrative burdens strain practices, potentially reducing service quality and patient satisfaction. Nevada's higher reimbursement rates offer financial stability but are offset by stringent administrative requirements.

Policy Implications

Illinois: Policymakers should consider increasing reimbursement rates for physical therapy services under Medicaid and Medicare to ensure financial incentives for practitioner and reducing burn outs in healthcare providers due to administrative burden. Reducing administrative burdens through streamlined claims processes and simplified documentation requirements could also enhance service delivery. Implementing policies,

improving reimbursements in rural areas that support rural healthcare infrastructure and provider recruitment could improve access to physical therapy services in underserved areas (Illinois Department of Public Health, 2023).

Nevada: Higher reimbursement rates are beneficial, provides financial incentive to providers, addressing the administrative burden through policy changes could improve patient outcomes and even more access to care for patients. Setting a cap on compliance requirements and reducing the frequency of audits or audit requirements could help practices focus more on patient care. Improving access to telehealth services and infrastructure needed for treating patients with telehealth, especially in rural areas could improve access to physical therapy services. (Nevada Division of Public and Behavioral Health, 2023).

Practitioner Perspectives

Therapists in both the states show signs of burnout due to administrative burden. Large number of therapists have also changed profession in these states due to burn outs. Policy changes and cap on treating multiple patients at the same time should be implemented, increased reimbursement for better outcomes should be rewarded which promotes management for physical therapy companies to invest in recent advances and training their staff.

CONCLUSION

This comparative analysis highlights significant differences in how insurance policies affect the administration of physical therapy in Illinois and Nevada. While direct access laws in both states promote patient access to services, disparities in reimbursement rates and administrative burdens create challenges for practitioners. Illinois faces financial constraints due to lower reimbursement rates and high administrative demands, impacting service quality and patient satisfaction. Conversely, Nevada benefits from higher reimbursement rates but must address stringent administrative requirements to improve practice efficiency. Policymakers in both states should consider reforms that enhance financial sustainability, reduce administrative burdens, and support rural healthcare access to improve physical therapy services. Scope for future study includes comparison of access and patient outcomes by separating highly populated areas versus lower populated areas in higher reimbursement and lower reimbursement states.

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