



Nonprofit corporations and independent licensees  
of the Blue Cross and Blue Shield Association

## OUTPATIENT PHYSICAL THERAPY FACILITY

### GENERAL INFORMATION

#### I. BCBSM's (Freestanding) Outpatient Physical Therapy Facility Program

##### Information on the Use of this Application

This information applies *only* to freestanding Outpatient Physical Therapy (OPT) facilities. Blue Cross Blue Shield of Michigan (BCBSM) considers OPT facilities to be "freestanding" if the facility has separate Medicare certification as a rehabilitation agency for outpatient physical therapy services, or as a comprehensive outpatient rehabilitation facility. In contrast, a hospital-based therapy provider is 100% owned and operated by a hospital and functions as a unit/department of the hospital. Its services are included in the hospital's general organizational structure and included in the hospital's Medicare certification. BCBSM reimburses for these covered therapy services under the hospital's BCBSM participation agreement(s). Therefore, separate application as an OPT facility is not necessary for such hospital-based therapy providers.

BCBSM has several network options for freestanding Outpatient Physical Therapy facilities; Traditional, TRUST PPO, Medicare Advantage PPO (effective 1/1/10), and Medicare Supplemental.

##### Traditional

Participation with BCBSM is on a formal basis only. Services provided in a non-participating OPT facility are not reimbursed by BCBSM to either the facility or the member.

The BCBSM Traditional OPT program is intended to provide benefits for the purpose of improving or restoring the patient's functional level when there has been a loss in musculoskeletal functioning due to illness or injury. Services related to activities for the general good and welfare of the patient do not constitute eligible physical therapy services (e.g., general exercises or therapy to promote overall fitness and flexibility, development therapy to provide diversion or general motivation, etc.). Physical therapy is the use of specific activities or methods to treat disability when there is a loss of neuromusculoskeletal function due to an illness, injury or following surgery. Treatments include exercise, physical agents and therapy of the patient's specific muscles or joints to restore or improve the following: muscle strength, joint motion, coordination and general mobility.

OPT facilities must provide physical therapy services and may also provide and be reimbursed by BCBSM for occupational therapy or speech therapy covered services.

The following information applies to facilities that want to participate in BCBSM's network for members enrolled in our Traditional or other programs. Members of other Blue Cross Blue Shield (BCBS) Plans may also be required to use one of our networks for full benefits, as applicable, when receiving services in Michigan. Be sure to verify benefit and eligibility for all BCBSM or BCBS members *before* providing services.

## **TRUST OPT Facility Network for PPO and POS**

The BCBSM TRUST OPT Facility network applies for covered physical, occupational and speech therapy services for eligible PPO and POS members. Some PPO members may be required to use a separate non-BCBSM (carve-out) network for certain therapy services. New OPT facilities can apply to *both* the Traditional and TRUST networks by completing a single application. If approved by BCBSM, the facility will be notified. BCBSM or BCBS members whose benefit plans require the use of a TRUST network provider may be subject to substantial out-of-network cost sharing (e.g., increased copayments and deductibles, or for some customers there is no benefit), if the member uses a BCBSM participating Traditional OPT facility that is not in the TRUST network. There is no payment made to the facility or the PPO/POS member if the member has services at an out-of-network OPT facility that does *not* participate in the BCBSM Traditional program. PPO and POS members may also receive services from other providers that provide therapy services (i.e., TRUST Independent Physical Therapists, TRUST Hospitals, and TRUST physicians). Be sure to verify benefit and eligibility for all BCBSM or BCBS members *before* providing services.

## **Medicare Advantage PPO Network**

Medicare certified OPT facilities that meet and maintain the requirements for TRUST network affiliation are eligible to apply for affiliation in the BCBSM Medicare Advantage PPO network which became effective January 1, 2010 for individual and group customers. To be in the MA PPO network, OPT facilities are not required to participate in the Traditional or TRUST network but must meet all qualification requirements for TRUST participation as an OPT facility.

## **Medicare Supplemental Program**

Patients who have primary coverage through Medicare may also have Medicare Supplemental coverage through BCBSM. The Supplemental program provides for payment of the Medicare (Part A) deductible and copayment amounts that are *not* payable by Medicare. Supplemental payments are made only on behalf of those persons who are both eligible Medicare beneficiaries and eligible BCBSM Supplemental members. In general, the effective date of a facility's eligibility for payment under the BCBSM Medicare Supplemental program coincides with the effective date of the facility's Medicare certification as a rehabilitation agency or as a comprehensive outpatient rehabilitation facility. This date most likely will be different than the facility's Traditional program participation effective date. All OPT facilities that are approved for participation in our Traditional program are approved for Medicare Supplemental payments.

Medicare certified facilities are eligible to obtain a BCBSM facility code for the billing of covered Medicare Supplemental services even if the facility does *not* participate with BCBSM in our Traditional program. However, due to claims filing limitations, BCBSM will generally not assign a BCBSM Medicare Supplemental facility code with a retroactive effective date that exceeds a two year period.

## **II. BCBSM's Outpatient Physical Therapy Facility Qualification Requirements**

### **Traditional**

In order to participate with BCBSM in the Traditional Program, an OPT facility must, at minimum, have and maintain the following:

- Medicare certification as a rehabilitation agency for outpatient physical therapy services, or Medicare participation as a comprehensive outpatient rehabilitation facility (CORF), and the facility can demonstrate it provides services that are restorative and rehabilitative in nature

- Must provide physical therapy services, and may also provide occupational therapy and/or speech and language pathology services
- The facility, or at least one physical therapist on staff must have membership in a local or national physical therapy professional association
- A Michigan licensed physical therapist on site whenever physical therapy is provided, a certified occupational therapist registered in Michigan on site whenever occupational therapy is provided, and a speech-language pathologist certified by the American Speech-Language Hearing Association on site whenever speech-language pathology therapy is performed
- Written policies and procedures that meet generally acceptable standards for outpatient physical therapy to assure the quality of patient care, and facility demonstrates compliance with such policies and procedures
- Ability to demonstrate that it conducts program evaluation and utilization review to assess the appropriateness, adequacy, and effectiveness of the program's administrative and clinical components  
Outpatient physical therapy program has been in operation for six months prior to application to BCBSM for participation as an OPT facility
- Sufficient patient volume to enable BCBSM to determine facility's compliance with BCBSM's qualifications standards
- Meets BCBSM's Evidence of Necessity (EON) requirements, as applicable
- Compliance with Certificate of Need (CON) requirements of the Michigan Public Health Code (if applicable)
- A governing board that is legally responsible for the total operation of the facility, and for ensuring that quality care is provided in a safe environment
- An absence of inappropriate utilization or practice patterns, as identified through valid subscriber complaints, audits and peer review
- An absence of fraud and illegal activities
- Maintenance of adequate patient and financial records

#### TRUST OPT Facility Network Requirements

In order to affiliate in BCBSM's TRUST OPT facility network, (for eligible PPO and POS members) the facility must meet all requirements set forth in the TRUST OPT Facility Qualification Standards that are on file with the Michigan Office of Financial and Insurance Regulation (OFIR), including but not limited, to maintaining participation status in the Traditional program and maintaining satisfactory utilization management performance, as determined by BCBSM. The full set of standards is available in the OPT facility enrollment section of [bcbsm.com](http://bcbsm.com).

#### Medicare Advantage PPO Network Requirements

To be in the MA PPO network, OPT facilities do not need to be formally participating in the Traditional or TRUST network but must have and maintain all other qualification requirements for TRUST participation. They cannot be a Medicare excluded entity.

#### BCBSM Recredentialing

Note: It is BCBSM's policy to recredential participating facilities every 2-3 years to verify continued compliance with all qualification requirements for the Traditional, TRUST, and MA PPO OPT facility networks. We also periodically require the validation of demographic information and current Medicare certification for those OPT facilities that have a facility code for Medicare Supplemental only.

### **III. Outpatient Physical Therapy Facility Reimbursement**

#### Traditional and TRUST

For covered services, BCBSM will pay the OPT Facility the lesser of its billed charges or the rate established by BCBSM, less any deductible or copayment for which the member is responsible. BCBSM will reimburse the facility the rate in effect on the date the covered service was provided.

OPT Facilities that participate in the Traditional and/or TRUST program are required to bill BCBSM for covered services and to accept BCBSM's payment as payment in full for covered services, except for any applicable member copayments and/or deductibles.

#### Medicare Advantage PPO

Reimbursement for the MA PPO network is made at the BCBSM Payment Rate(s) for the applicable service, less any applicable member copayments or deductibles. Out-of-network providers are reimbursed at the CMS payment rate(s) but the member will be subject to additional out-of-network copayments and/or deductibles which must be collected from the member.

#### **IV. The BCBSM Participation Agreements (Traditional, TRUST, and MA PPO)**

The appropriate BCBSM OPT facility participation agreement(s) (Traditional, TRUST, and/or MA PPO) are available on the bcbsm.com OPT home web page. They are also available as a link in the participation chapter of the provider manual on web-DENIS, for those providers that already have web-DENIS access. The Traditional and TRUST participation agreements are on file with the Michigan Office of Financial and Insurance Regulation (OFIR), and their terms and provisions are not negotiable.

**The applicable participation agreement signature documents for each BCBSM network/program being requested on the application are available on the OPT home web page and must be completed, signed and returned with a completed facility application form.**

**NOTE: This is general information only and is subject to change without notice.**

After we review the application and accompanying documentation, we may contact the designated representative of the facility to set up an appointment for an on-site visit. The on-site visit includes a review of a sample of medical records to evaluate the applicant's compliance with BCBSM requirements, as outlined in this application. The facility must be ready for the on-site review at the time of submitting the application. If the facility is approved for program participation, the appropriate notification will be sent. If the facility is not approved, we will send notification in writing indicating the reason(s) for the denial.

The facility may not submit claims and is not eligible for reimbursement unless and until the application for participation is approved by BCBSM and BCBSM has issued a signed letter of approval to the facility for the networks requested. The effective date for the approved networks will be indicated in the approval letter sent to the facility. Effective dates are not retroactive to the date the application was submitted or received.

A separate BCBSM facility code is assigned to each approved and contracted primary location. Approved branch locations use the same facility code/NPI as the primary location when submitting claims to BCBSM. With the full implementation of National Provider Identifiers (NPI) BCBSM crosswalks the claims from the facility's NPI to the BCBSM (primary) facility code (i.e., BCBSM's internal identifier) for processing. Therefore, BCBSM recommends obtaining one NPI (in accordance with federal guidelines), for each primary location. Federal guidelines also allow for an NPI to be obtained for unique combinations of tax ID, location and taxonomy (specialty) codes.

Upon completion of the application and contracting process, the facility will receive a welcome package with information on how to sign up for electronic billing and access to web-DENIS, BCBSM's web-based information system for providers. Through web-DENIS the facility will have access to provider manuals, newsletters (e.g., *The Record*), fee/rate schedules and patient data such as contract eligibility and benefits. It is the facility's responsibility to be familiar with and to adhere to all BCBSM billing and benefit requirements. It is also the responsibility of the facility to ensure its billing department (or billing agency) is compliant with all of BCBSM's billing requirements.

Participating OPT facilities must bill BCBSM on a UB-04 claim form or its electronic equivalent. BCBSM no longer accepts facility paper claims (with a few exceptions). Facilities that would like more information about internet claims submission or that wish to bill electronically should contact BCBSM's Electronic Data Input (EDI) Helpline at (800) 542-0945 for electronic billing information *after* their BCBSM facility code has been received.

Facilities that participate in any BCBSM networks or that are eligible to receive Medicare Supplemental payments from BCBSM must notify BCBSM *immediately* of any change in the facility's ownership, tax identification number, CMS certification status, CMS certification number, NPI, addition/deletion of branch locations, address, telephone number, etc.

### **Multiple Locations**

If the facility is applying for participation (or an ownership change) for more than one location, a separate application must be completed for each *primary* location. If the facility has multiple branch locations (extensions), please list them in the appropriate section of the application. Each site must meet all qualification standards in order to be approved. A separate BCBSM provider code is issued for each approved primary location with a separate NPI. This same facility code should also be used when billing for services provided at the primary facility's approved branch locations.