

Frequently Asked Questions

Changes to the Physical Therapy, Occupational Therapy, and Speech Therapy Networks
January 12, 2010

Overview

1. What changes is Anthem Blue Cross making to its Physical Therapy, Occupational Therapy, and Speech Therapy Networks?

To meet the needs of our clients and members, Anthem Blue Cross is expanding the provider network, improving member access to care, improving provider service to members, and reducing overall medical costs. To this end, Anthem Blue Cross is making two important changes to its physical therapy network (including physical, occupational and speech therapy):

- (a) Effective February 1, 2010, Anthem Blue Cross will *terminate its contract* with Physical Therapy Provider Network (“PTPN”) and will build upon its already robust directly contracted physical therapy network. Anthem Blue Cross is actively recruiting the PTPN providers into the directly contracted network as well as accepting applications from new therapists requesting to join.
- (b) Effective March 1, 2010, Anthem Blue Cross will *change its reimbursement methodology* for therapists in its directly contracted network to be consistent with that currently used by major health plans that also use this methodology. Reimbursement will be based on a per diem rate (a fixed amount per visit) as of March 1, 2010 (with a carve-out for orthotics and supplies, which will be paid based on a fee schedule).

2. Why did Anthem Blue Cross terminate its contract with PTPN?

By terminating its contract with PTPN, Anthem Blue Cross intends to reduce the administrative barriers that previously limited member access to care. For example, PTPN charges its affiliated therapists high access fees to participate within its network. In addition, PTPN has strict rules limiting the number of providers that can participate in a given area per contract. PTPN also requires a burdensome credentialing process for its therapists.

3. Why did Anthem Blue Cross change its reimbursement for therapists in its directly contracted network?

Health care costs continue to rise dramatically. Anthem understands and shares the concerns of our members over rising health care costs that can result in higher premiums and out-of-pocket expenses for them. Anthem regularly evaluates its reimbursement levels for all types of medical treatment and care to ensure we are compensating providers fairly for quality care, as we strive to keep costs as affordable as possible for our members.

Anthem recently made adjustments to the physical therapy reimbursement rates. While we have implemented more of a standardized pricing structure for network therapists, based on services provided, to help contain escalating costs, there will not likely be any increase in out-of-pocket expenses for our members. In fact, if the billing amount by the therapists is lessened then the amount remaining by the member for covered charges should also decline.

How is the Network Affected

4. Describe Anthem Blue Cross’ current physical therapy, occupational therapy, and speech therapy network today?

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For many years, Anthem Blue Cross' physical therapy network was comprised of directly contracted providers and therapists available through PTPN's leased network. PTPN has approximately 2,333 therapists at 470 locations throughout the State of California. Anthem Blue Cross currently has direct contracts with 1,520 therapists at 569 locations.

5. What is Anthem Blue Cross doing to increase the number of physical therapists, occupational therapists, and speech therapists in its network?

Anthem Blue Cross is actively recruiting therapists to join its directly contracted network. Anthem Blue Cross mailed contracts to the PTPN therapists beginning November 19, 2009 and has followed up via telephone to actively recruit the PTPN therapists. Of those therapists who have been contacted relative to Anthem Blue Cross' direct recruitment efforts, the vast majority have agreed to participate in the network as of the date of this information. The therapists who have been contacted are aware of the reimbursement rates that Anthem Blue Cross is offering. Requests for applications to participate in the network continue to be received.

6 Has Anthem Blue Cross notified PTPN and its directly contracted therapists about the changes to its network?

Advance notice of Anthem Blue Cross' decision to terminate its contract with PTPN was mailed to PTPN on October 29, 2009. Anthem Blue Cross mailed applications and contracts to the PTPN therapists the week of November 19, 2009 so they may contract with us directly. Notice of the reimbursement changes to therapists in Anthem Blue Cross' directly contracted network was also given on October 30, 2009.

Anthem Blue Cross notified the applicable trade associations, including the California Physical Therapy Association and the California Occupational Therapy Association, about the proposed network changes and continues to have ongoing dialog with the associations about these changes.

How Members are Affected

7. How are members affected by the two physical therapy network changes?

The two changes Anthem Blue Cross is making to its physical therapy network will only impact Anthem Blue Cross' PPO and Senior members. HMO, Medi-Cal (Medicaid), Healthy Families HMO, and CMSP members and the affiliated business units will not be affected by the contract termination with PTPN or the reimbursement changes for the directly contracted network because those members obtain these services through other contractual arrangements.

8. Are there any network access concerns related to the termination of the PTPN contract?

Anthem Blue Cross conducted an accessibility analysis of its physical therapy, occupational therapy, and speech therapy network to determine whether there were any access concerns for members and concluded that all regulatory availability and accessibility guidelines for these ancillary providers were met.

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With the number of PTPN affiliated therapists and non-PTPN therapists who are requesting to join Anthem Blue Cross' directly contracted network, as well as the removal of the administrative burdens imposed by PTPN, Anthem Blue Cross believes access and availability of physical, occupational and speech therapy to its members will continue to increase.

9. What if a member chooses to go to a therapist after March 1, 2010 who is not directly contracted with Anthem Blue Cross?

PPO claims will be paid according to the member's Summary Plan Description. HMO members are not affected by the network changes as all specialty services must be approved by the HMO member's medical group. If approved, Anthem will cover the claim at the member's in-network benefit levels. If the HMO member's medical group does not approve the service, then the claim will be denied for medical group authorization as stated in the member's Evidence of Coverage.

Claims Payment

10. How will Anthem Blue Cross pay claims for physical therapy, occupational therapy, and speech therapy services rendered before March 1, 2010?

Claims will be paid according to the provider contract that was in place before **March 1, 2010**.