



9th Annual Fees and Reimbursements Survey Are new trends forming?

BY LINDA SEGALL

A survey works much like a telescope. You can zoom out and see a grand panorama. Or, you can zoom in on specific areas to see details and anomalies.

On the following pages you'll find the broad perspective of *Chiropractic Economics* 9th Annual Fees and Reimbursements Survey, which was conducted in May 2006. We asked our readers to tell us their mean

average fees and reimbursements for the CPT codes most commonly used in chiropractic practices.

We then filtered these according to geographic region. And we tabulated overall averages for fees and reimbursements and calculated the average reimbursement for each code, as well as overall reimbursement rates.

When we did those broad calculations, we found few surprises: Fees were up slightly (4.8 percent) and reimbursements were up slightly (2.2 percent). But reimbursement rates were down, approximately 2 percent.

Examining the data with more focus, however, we found

About this survey

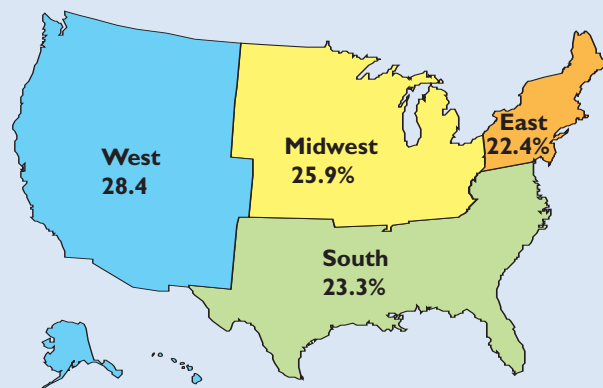
In May of 2006, *Chiropractic Economics* extended an invitation by e-mail and through the magazine to readers and other practicing chiropractors to complete a Web-based survey on fees and reimbursements.

The survey was limited to practicing chiropractors or their designated office managers/CAs, in order to assure accuracy of information.

- **Number of respondents.** This year 365 respondents completed the survey.

- **Nationwide response.** Chiropractors from all states except West Virginia, Delaware, and Vermont completed the survey. The survey also attracted responses from Canada and Puerto Rico.

- **Slightly more responses from the western region.** Although respondents came from throughout the United States, the West (with 28.4 percent) had the



most, followed by the Midwest (25.9 percent), and the South (23.3 percent). The East had the fewest respondents, with 22.4 percent.

- **Mean averages provided.** Unless indicated otherwise, all averages are given as a mean calculation.

Profile of 2006 Respondents

PERSONAL CHARACTERISTICS	2006	2005	2004
DC	93.0%	93.7%	96.5%
CA/office manager	7.0%	6.3%	3.5%
Male	75.0%	80.0%	81.7%
Average (mean) age	41.8	42.3	43.1
Age range	22-74	24-76	22-75
Average years in practice	13.3	13.4	
TYPES OF PRACTICE			
Solo practitioner	75.4%	75.1%	76.6%
Group or partnership	22.6%	21.7%	23.4%
Associate	2.0%	2.9%	--
In a franchise organization	5.7%	0.3%	--
Integrated healthcare practice (DC+MD, PT, or LMT)	56.7%	52.6%	46.3%
Cash-only practice	21.1%	11.7%	6.4%
Average fees	\$65	\$62	\$61
Average reimbursements	\$47	\$45	\$48
Average reimb. rates	72.8%	74.3%	78.7%
GEOGRAPHIC LOCATION			
Eastern region	22.4%	20.2%	23.4%
Southern region	23.3%	23.3%	26.6%
Midwestern region	25.9%	34.1%	22.7%
Western region	28.4%	22.4%	27.3%
LICENSURE			
One state	71.4%	68.6%	58.1%
Two states	18.3%	23.1%	32.1%
Three or more states	10.3%	8.3%	9.8%

some things to watch in the future:

- **Franchises on the rise.** This year, 5.7 percent of respondents said they owned a franchise. Last year only 0.3 percent reported this.

- **More integrated healthcare practices.** Almost 57 percent of respondents said they practice with an MD/DO, PT, or LMT. Compare this figure with 53 percent in 2005 and 46 percent in 2004. The figures suggest a continuing trend.

- **Significant increase in cash-only practices.** In this year's survey, 21.1 percent of respondents said they operated cash-only practices. In 2005, only 11.7 percent of respondents were cash-only. And in 2004, this number

was 6.4 percent.

As you review the data and analysis, please keep in mind:

- This year's survey received responses from 365 individuals;
- The reported numbers are mean averages;
- Cash-only practices reported fees only; and
- The survey results are provided for informational purposes only. They are not intended to be used as a recommendation for setting fee levels.

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Results worth noting

- **Slightly younger respondents.** The average age of respondents this year was 41.8, ranging from 22 to 74. In 2005, the average age of respondents was 42.3.

Respondents have been in practice for an average of 13.3 years.

- **Increase in the number of female respondents.** More female chiropractors (25 percent) answered the survey this year than in 2005 (20 percent).

- **Increase in fees charged.** This year, the overall average in fees charged was \$65, compared to \$62 in 2005. This amounts to a 4.7 percent increase.

- **Slight increase in reimbursements.** In 2005 we reported a 5.4 percent decline in reimbursements over the previous year. This year, we found a slight increase in overall reimbursement rates. They are up 2.5 percent.

- **Steady number of solo practitioners.** The number of solo practitioners remains steady at approximately 75 percent.

- **Big increase in franchisees.** In 2005, only 0.3 percent of respondents had chiropractic franchises. This year that number jumped to 5.7 percent.

- **More integrated healthcare practices.** The number of integrated healthcare practices (defined as a DC with an MD/OD, PT, or LMT) increased to 56.7 percent from 52.6 percent last year.

- **Cash-only on the increase.** This year's survey showed a dramatic increase in the number of cash-only practices — 21.1 percent, compared to 11.7 in 2005.

- **Midwest leads in reimbursement rates.** The Midwest region had the highest reimbursement rate (74.2 percent) or all four regions. The East had the least favorable reimbursement rate (72.0 percent).

	2006			2005			Eastern Region			Southern Region			Midwest Region			Western Region		
	\$Fee	Reimb.	%Reimb.	\$Fee	Reimb.	%Reimb.	\$Fee	Reimb.	%Reimb.	\$Fee	Reimb.	%Reimb.	\$Fee	Reimb.	%Reimb.	\$Fee	Reimb.	%Reimb.
PROFESSIONAL CARE																		
98940 Spinal, 1-2 regions	\$42	\$32	75.8%	\$42	\$32	75.8%	\$43	\$32	73.4%	\$43	\$31	72.1%	\$39	\$31	79.5%	\$45	\$35	77.8%
98941 Spinal, 3-4 regions	\$51	\$39	76.8%	\$51	\$39	76.9%	\$50	\$37	73.9%	\$51	\$38	74.5%	\$47	\$39	83.0%	\$55	\$41	74.5%
98942 Spinal, 5 regions	\$59	\$46	78.0%	\$59	\$45	76.4%	\$57	\$42	74.2%	\$57	\$45	78.9%	\$58	\$47	81.0%	\$63	\$49	77.8%
98943 Extraspinal, one or more regions	\$37	\$27	73.0%	\$37	\$26	69.7%	\$38	\$26	68.4%	\$36	\$26	72.2%	\$34	\$26	76.5%	\$39	\$29	74.4%
99213 Estab. patient w/expanded hist. and exam w/low complx. trmt. decision	\$71	\$55	77.5%	\$66	\$51	76.8%	\$68	\$48	70.6%	\$80	\$58	72.5%	\$70	\$55	78.6%	\$66	\$57	86.4%
99214 Estab. patient w/expanded hist. and exam w/high complx. trmt. decision	\$96	\$73	76.0%	\$92	\$69	75.2%	\$89	\$61	68.5%	\$106	\$79	74.5%	\$100	\$79	79.0%	\$90	\$74	82.2%
NEW PATIENT EXAM																		
99201 E&M service, new patient, focused hist. and exam, straightforward medical-decision making	\$61	\$44	72.1%	\$55	\$44	80.4%	\$70	\$42	60.0%	\$62	\$45	72.6%	\$53	\$42	79.2%	\$61	\$47	77.0%
99202 E&M service, established patient, focused hist. and exam, straightforward medical-decision making	\$81	\$60	74.1%	\$73	\$58	79.7%	\$83	\$54	65.1%	\$86	\$66	76.7%	\$73	\$59	80.8%	\$82	\$60	73.2%
99203 O.V. w/detailed hist. and exam w/low complx. trmt. decision	\$109	\$82	75.2%	\$101	\$80	79.7%	\$105	\$70	66.7%	\$126	\$99	78.6%	\$102	\$88	86.3%	\$105	\$72	68.6%
99204 O.V. w/comprehensive hist. and exam w/mod. complx. trmt. decision	\$144	\$109	75.7%	\$135	\$112	82.6%	\$131	\$84	64.1%	\$161	\$133	82.6%	\$149	\$124	83.2%	\$136	\$101	74.3%
RADIOLOGY																		
72020 single view x-ray	\$44	\$34	77.3%	\$41	\$30	74.4%	\$37	\$32	86.5%	\$49	\$34	69.4%	\$39	\$30	76.9%	\$48	\$40	83.3%
72040 cervical, AP and lat.	\$75	\$53	70.7%	\$71	\$50	70.0%	\$74	\$52	70.7%	\$83	\$59	71.1%	\$64	\$45	70.3%	\$79	\$54	68.4%
72050 cervical, (4 views)	\$116	\$79	68.1%	\$112	\$77	69.2%	\$115	\$103	89.6%	\$130	\$83	63.8%	\$101	\$66	65.3%	\$117	\$81	69.2%
72052 cervical, (comp.)	\$159	\$113	71.1%	\$153	\$108	70.3%	\$151	\$139	92.1%	\$185	\$129	69.7%	\$144	\$93	64.6%	\$147	\$98	66.7%
72070 thoracic, AP and lat.	\$77	\$54	70.1%	\$79	\$56	70.4%	\$72	\$55	76.4%	\$84	\$59	70.2%	\$71	\$46	64.8%	\$80	\$54	67.5%
72100 lumbrosacral, AP and lat.	\$82	\$57	69.5%	\$82	\$58	70.5%	\$84	\$58	69.0%	\$90	\$65	72.2%	\$74	\$48	64.9%	\$81	\$56	69.1%
72170 pelvis, AP	\$73	\$53	72.6%	\$62	\$45	71.8%	\$72	\$61	84.7%	\$80	\$62	77.5%	\$62	\$38	61.3%	\$76	\$55	72.4%
PROCEDURES AND MODALITIES																		
97010 hot or cold packs	\$18	\$11	61.1%	\$18	\$12	63.7%	\$18	\$11	59.4%	\$20	\$13	65.0%	\$16	\$8	50.0%	\$18	\$13	72.2%
97012 traction, mechanical	\$28	\$19	67.9%	\$27	\$19	70.6%	\$28	\$17	58.9%	\$28	\$19	67.9%	\$27	\$21	77.8%	\$27	\$19	70.4%
97014 electrical stimulation	\$26	\$17	65.4%	\$26	\$18	71.3%	\$27	\$16	59.0%	\$27	\$18	66.7%	\$24	\$17	70.8%	\$27	\$17	63.0%
97035 ultrasound	\$28	\$19	67.9%	\$27	\$20	71.8%	\$28	\$15	53.6%	\$30	\$21	70.0%	\$27	\$17	63.0%	\$28	\$20	71.4%
97110 therapeutic exercises	\$38	\$28	73.7%	\$38	\$28	73.7%	\$36	\$24	66.7%	\$37	\$28	75.7%	\$38	\$28	73.7%	\$43	\$30	69.8%
97112 neuromuscular reeducation	\$39	\$28	71.8%	\$39	\$28	72.1%	\$36	\$22	62.2%	\$39	\$29	74.4%	\$39	\$29	74.4%	\$42	\$33	78.6%
97124 massage	\$42	\$31	73.8%	\$39	\$29	74.3%	\$39	\$22	56.4%	\$45	\$35	77.8%	\$36	\$26	72.2%	\$48	\$36	75.0%
97140 manual therapy	\$40	\$29	72.5%	\$38	\$28	74.5%	\$36	\$25	68.6%	\$38	\$27	71.1%	\$38	\$30	78.9%	\$44	\$33	75.0%
97530 therapeutic activities	\$43	\$30	69.8%	\$41	\$31	74.4%	\$39	\$23	59.0%	\$42	\$29	69.0%	\$42	\$30	71.4%	\$49	\$35	71.4%
Overall means	\$65	\$47	72.8%	\$62	\$46	74.3%	\$62	\$45	72.0%	\$70	\$51	73.3%	\$60	\$45	74.2%	\$65	\$48	73.1%

A look at reimbursements, nationwide and by region

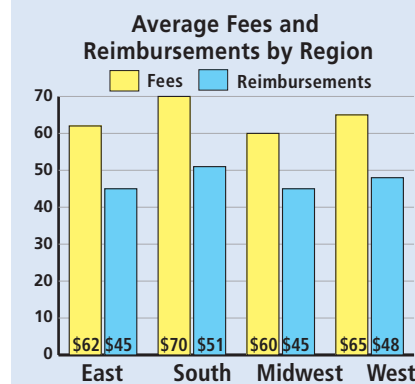
This year's survey shows that chiropractors have increased their fees by about 4.7 percent (to an overall average of \$65) from those charged in 2005 (\$62). However, they are being reimbursed only 2.5 percent more by insurance companies, for an average reimbursement of \$47, compared to \$46 in 2005.

The slight increase in reimbursement rates is an improvement over last year, however, when the survey showed a decrease of 5.4 percent over the previous year.

The area of the country that charged the highest average fees was the South, with overall average fees of \$70, followed by the West (\$65), the East (\$62), and the Midwest (\$60).

Fees are one thing. But unless you have a cash-only practice, it is reimbursements that count. By region, the highest dollar value for reimbursements was in the South, with reimbursements averaging \$51. The average reimbursement rate in the South was 73.3 percent.

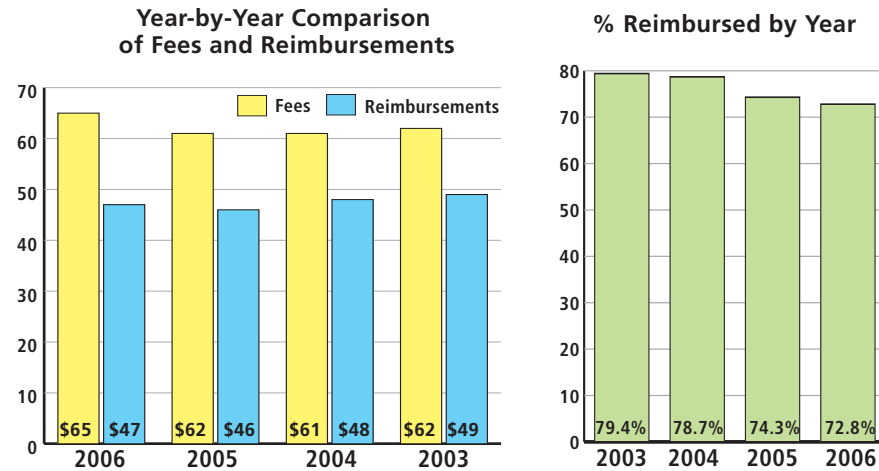
In the West reimbursements average \$48, for a rate of 73.1 percent, while in the East, reimbursements averaged \$45, for a rate of 72 percent. Although the Midwest reported lowest fees, its reimbursements averaged \$45, for the highest rate of 74.2 percent.



What's the trend?

If you were to look only at the average dollar amount that insurers have paid in reimbursements, you might conclude that reimbursements are trending slightly downward. In 2003, the average amount was \$49; in 2004, \$48; in 2005, \$46; and in 2006, \$47.

However, to get a true sense of reimbursements, you need to look at both fees and reimbursements. You can see that doctors this year charged more (average fee, \$65, compared to \$62 in 2005, \$61 in 2004, and \$62 in 2003). Higher billings did not result in higher reimbursement rates. In 2003, the average overall reimbursement rate was 79.4 percent; in 2004, 78.7 percent; in 2005, 74.3 percent; and in 2006, 72.8 percent.

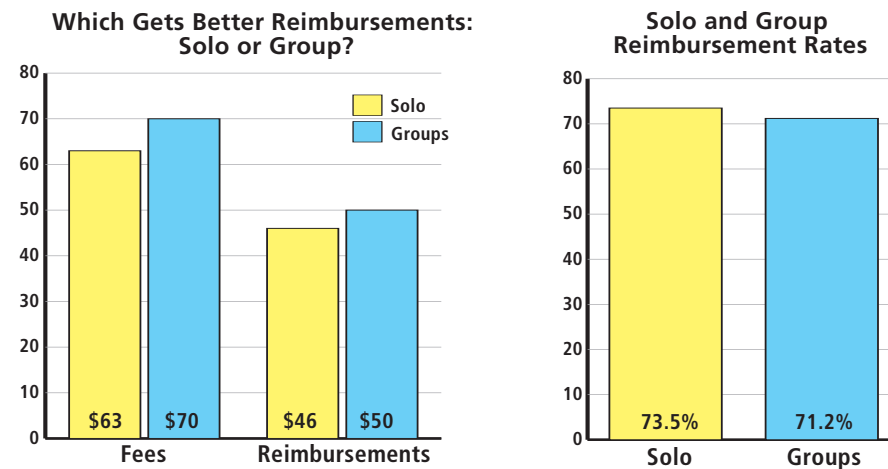


Groups enjoy higher reimbursement dollars

Solo still reigns as the preferred practice mode, according to our survey. The number of respondents who are solo practitioners remained constant from last year (75.4 percent in 2006; 75.1 in 2005). Likewise, the number in group practice also remained fairly constant (22.6 percent in 2006; 21.7 percent in 2005). (Associates accounted for the remainder of respondents.)

But who charges more and gets reimbursed more — solo practitioners or groups?

Groups charge more (\$70) than solo DCs (\$63). They also get reimbursed more (\$50 compared to \$46). However, solo practitioners enjoy a slightly higher reimbursement rate (73.5 percent) than groups (71.2 percent).



Cash is king

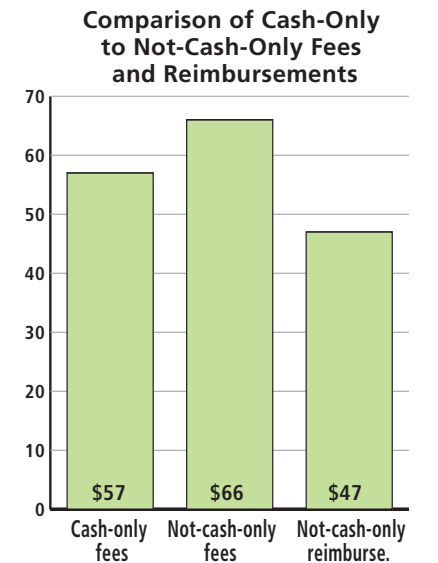
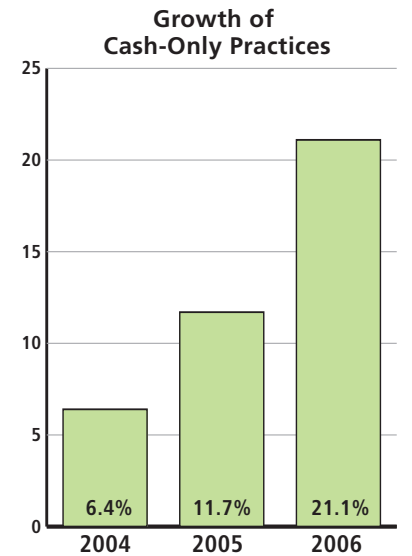
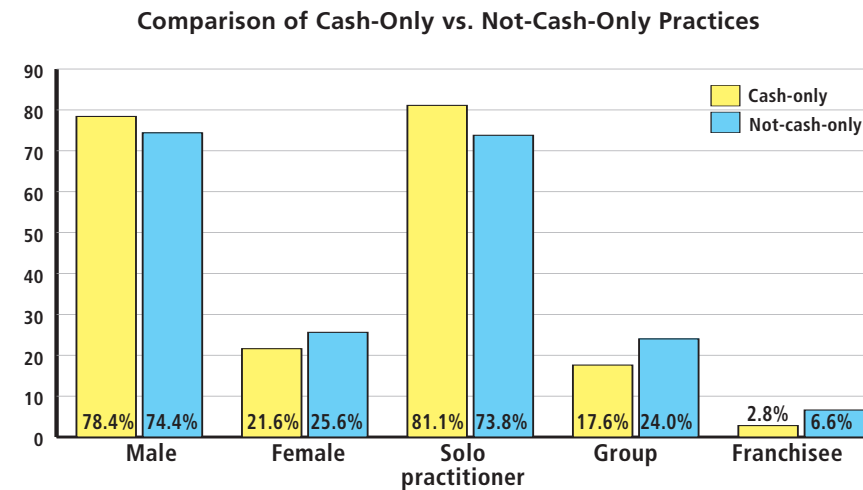
Cash is king. At least, that's what 21.1 percent of respondents think, since they have a cash-only practice.

Who are these individuals? The survey shows that cash-only respondents are more likely to be in solo practice (81.1 percent vs. 73.8 percent not-cash-only), are less likely to own a franchise (2.8 percent vs. 6.6 percent), and are slightly older (43.2 years vs. 41.3). They have also been practicing only slightly longer than not-cash-only chiropractors — 13.5 years vs. 13.1 years.

This year's survey showed two interesting things about cash-only practices:

- **More cash-only practices.** The number of respondents from cash-only practices increased dramatically. In 2005, 11.7 percent said they had a cash-only practice. This year, 21.1 percent said they have a cash-only practice — a significant increase.
- **More for less.** Respondents in not-cash-only practices charge higher fees (\$66) than in cash-only practices (\$57). But the fees charged in cash-only practices are actually equivalent to reimbursements in not-cash-only practices (\$47).

Consequently, cash-only practices take in 21.3 percent more than not-cash-only practices.



A look at franchise reimbursements

This year the survey found that more chiropractors — 5.7 percent in 2006 compared to only 0.3 percent in 2005 — are involved in franchises — either as a solo practitioner (70 percent) or as a member of a group practice (30 percent).

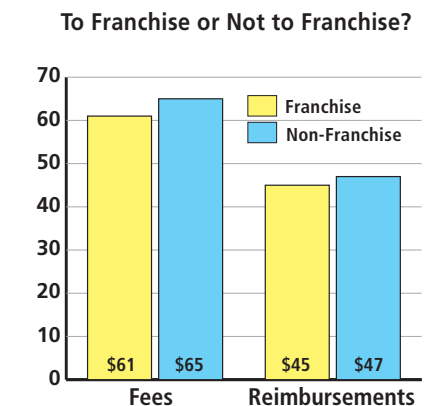
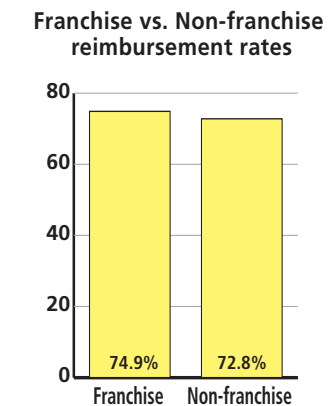
Franchisees tend to be younger (37.4) than non-franchisee solo practitioners (42.9) or group practitioners (39.2). Because they are younger, they have practiced for fewer years (10.9) than non-franchisee soloists (13.9) or group DCs (12.1).

However, franchisees own more clinics (1.6) than non-franchisee solo DCs (1.0) or group DCs (1.1).

All of that said — and keeping in mind that although 5.7 percent said they owned a franchise, this is still a small number — do franchisees fare better than non-franchisees?

Non-franchise DCs charge on average higher

fees (\$65) than franchise operations (\$61). They also get reimbursed more (\$47 vs \$45). However, franchisees enjoy a higher reimbursement rate (74.9 percent) than non-franchisees (72.8 percent).



Gender differences

Female chiropractors bill more for their services (\$75) than their male counterparts (\$72), but their reimbursements are lower (\$47 vs. \$54), according to our survey, resulting in an average reimbursement rate of 62.2 percent, compared to 74.7 percent for male chiropractors.

At an average age of 40.0 (compared to 42.4 for males), female DCs have also been in practice for fewer years (11.5 vs. 13.8). They are more apt to be a solo practitioner (80.7 percent) than male DCs (73.8 percent), and are less likely to own a franchise (4.6 percent, compared to 6.2 percent of male respondents).

Female chiropractors, however, are slightly less inclined to join a professional association, since only 22.4 of them do not belong to any association, compared to 23.8 percent of males.

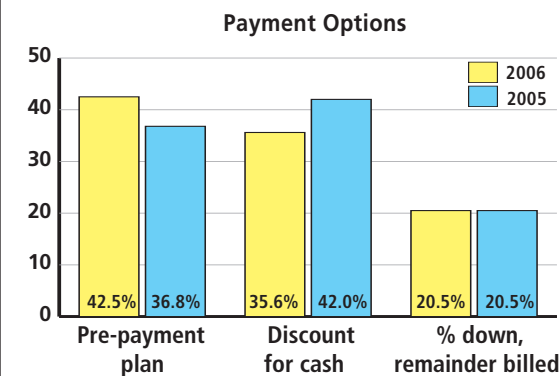
GENDER DIFFERENCES?		
	Male	Female
Age	42.4	40.0
Years in practice	13.8	11.5
Solo practitioner	73.8%	80.7%
Franchisee	6.2%	4.6%
Number of states	1.5	1.4
Clinics owned	1.1	1
No professional Membership	23.8%	22.4%
Fees	\$72	\$75
Reimbursements	\$54	\$47
Reimbursement rate	74.7%	62.2%

Patient payment options

Three-quarters (75 percent) of respondents offer their patients some type of payment plan. Pre-payment is growing in popularity, according to the survey. In 2005, 36.8 percent of respondents offered pre-payment plans. This year, 42.5 percent offered that option.

While prepayment is growing, giving discounts for cash is apparently waning in popularity. In 2005, 42.0 percent offered discounts. This year, 35.6 percent offered them.

The number of practitioners offering down-payment plans (20.5 percent) remained the same from last year.

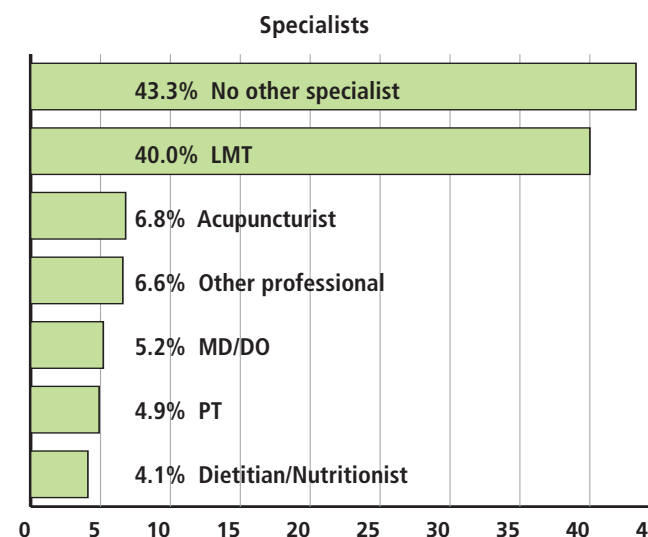
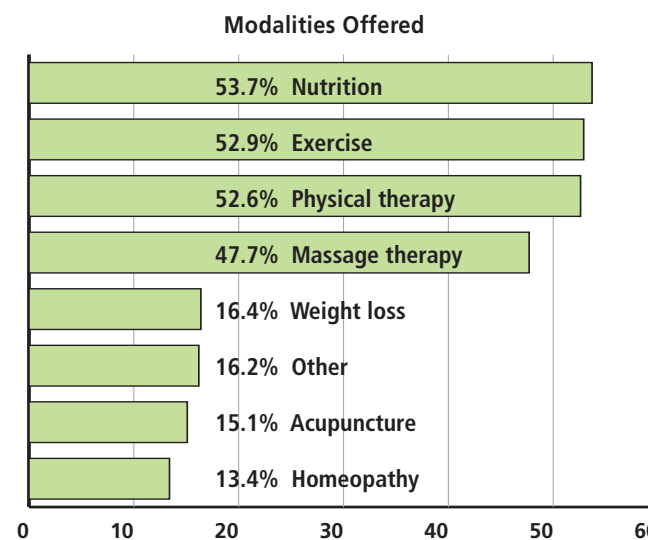


Which modalities and specialists are most commonly offered?

The majority of chiropractors (58.4 percent) offer some type of modality (which may be offered by the chiropractor, with no additional staff required) in addition to chiropractic adjustment. The most popular of modalities is nutritional counseling (53.7 percent), followed by exercise programs (52.9 percent), physical therapy (52.6 percent), massage therapy (47.7 percent), weight loss (16.4 percent), acupuncture (15.1 percent), and homeopathy (13.4 percent).

Approximately 57 percent of respondents, however, employ specialists to provide additional services. In order of popularity, the specialists are:

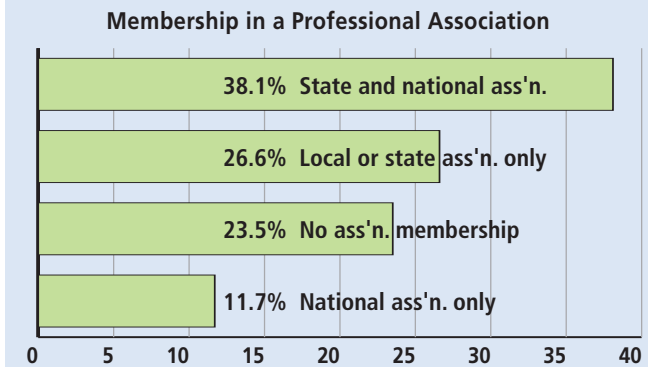
- Licensed massage therapists (40 percent),
- Acupuncturist (6.8 percent),
- MD/DO (5.2 percent),
- Physical therapist (4.9 percent), and
- Dietitian or nutritionist (4.1 percent).



Are you a member?

Are you a member of a professional association? This year we added that question to our survey participants. We found that 38.1 percent of respondents belong to both a state and national association; 26.6 to either state or local association; and 11.7 percent to only a national association.

Almost one-quarter of respondents (23.5 percent) belong to no professional association.



More codes, more fees

This year we asked respondents about fees and reimbursements for range-of-motion testing, muscle testing, and physical performance evaluation.

• **Range-of-motion testing:** Average fee, \$61; average reimbursement, \$41; rate of reimbursement, 67.2 percent.

• **Muscle testing:** Average fee, \$63; average reimbursement, \$39; rate of reimbursement, 61.9 percent.

• **Physical performance evaluation:** Average fee, \$87; average reimbursement, \$54; rate of reimbursement, 62.1 percent.

The survey also asked about cold laser therapy and decompression therapy. Laser therapy is offered by 16.4 percent of respondents, who bill an average of \$32. The average reimbursement is \$24.

Only 9.4 percent of respondents offer decompression therapy. They reported billing \$53 (per session), and getting reimbursed an average of \$28.

