



OUR 12TH ANNUAL FEES & REIMBURSEMENTS SURVEY

Are your fees competitive?

Check the results from our most recent survey to find out

Reflect for just a moment on how your fees and reimbursements have been over the past couple of years.

Are yours up, down, or about the same as last year or the year before? And how do you think reimbursements for chiropractors compare to those of medical doctors?

All is revealed in the results of our 2009 *Chiropractic Economics* 12th Annual Fees & Reimbursements Survey. If you are thinking fees and reimbursements are down from last year, you would be correct. Even with the economy being a bit rocky in 2009, fees and reimbursements remained fairly steady with the results from the 2007 survey.

This year's survey shows the average reimbursement (\$47) was down from last year (\$51) — a difference of 7.8 percent — but still higher than in 2007 (\$45). This year's fees (\$68) were also down from last year's (\$69) — a difference of 1.4 percent — but still more than in 2007's survey (\$64).

The latest figures, based on responses of 507 individuals (readers and other chiropractors) who answered our survey, seem to still show a continuing trend of declining reimbursements: from 2003 to 2007, they were 79.4

percent, 78.7 percent, 74.3 percent, 72.8 percent, and 70.8 percent. Last year's survey showed an increase to 73.9 percent, but this year's results are back in line, falling to 69.1 percent.

In a similar survey published in the February 2009 issue of *Physicians Practice*, a business journal for medical doctors, it appears that chiropractors aren't the only healthcare profession seeing a shift. While DCs saw their fees charged remain similar to past years, reimbursement averages dropped significantly. On the other hand, MDs saw a positive shift in reimbursement averages compared to the fees they charged.

HIGHLIGHTS

Some other facts that caught our attention include:

- **Licensure:** Our current survey shows an upward spike in doctors of chiropractic maintaining licensure in only one state. In 2008, the results revealed 63.6 percent of DCs were licensed in one state, whereas this year shows 75.4 percent are — an increase of 18.5 percent. DCs licensed in two states fell to 17.6 percent this year from 25.8 percent in 2008 — a decrease of 31.7 percent.

- **Solo vs. group.** Solo still reigns as the preferred practice mode. This year, 73.7 percent reported they were a solo practitioner, remaining fairly consistent with the last two years' surveys — 74.0 percent in 2008 and 74.7

percent in 2007.

- **Franchises holding their own:** In 2007, we reported that franchises comprised 5.3 percent of all respondents. That percentage dropped to 4.0 percent last year, but increased this year to 5.9 percent for an 11.3 percent increase over 2007.

- **Cash-only practice.** The 2006 survey saw a record high in which 21.1 percent of DC respondents indicated they were operating a cash-only practice. In 2007, this fell to 15.0 percent and fell again in 2008 to 11.0 percent. This year saw yet another decrease to 8.8 percent. Cash-only practices saw a collection rate of \$63 compared to \$80 last year and \$65 in 2007.

- **Payment options.** Payment options remained an important part of our respondents' practices. Even though DCs reduced offers of payment plans from 72.5 percent in 2007 to 64.9 percent in 2008, payment plans saw a nice increase this year to 74.4 percent — a 2.6 percent increase over 2007.

Prepay plans took over the second place spot with 39.5 percent (compared to 39.2 percent in 2008), while negotiations on a case-by-case basis decreased from 41.7 percent last year to 37.5 percent this year for third place.

- **Most popular specialist.** Retaining the services of a licensed massage therapist remains at the top of the most popular specialist list, with 42.8 percent of the respondents saying they have one. A licensed massage therapist also tops the list of specialists working in a solo practice (39.6 percent) and group practice (59.4 percent).

- **Highest reimbursement rates.** The West took top honors for highest reimbursement rates with 73.9 percent, followed by the Eastern region with 71.6 percent, the Midwest with 67.1 percent, and the South with 62.8 percent.

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Profile of Respondents

	2009	2008	2007
Personal characteristics			
Male	78.4%	80.0%	77.0%
Female	21.6%	20.0%	23.0%
Average age	44.4	45.0	44.5
Age range	25-81	24-86	24-83
Average yrs in practice	15.4	16.8	15.8
Types of practice			
Solo	73.7%	74.0%	74.7%
Group	23.7%	22.0%	23.3%
Associate	2.6%	4.0%	2.0%
In a franchise operation	5.9%	4.0%	5.3%
Integrated healthcare practice (DC+MD, PT, or LMT)	54.0%	64.0%	54.4%
Cash-only practice	9.0%	11.0%	15.0%
Fees and reimbursements			
Average fees	\$68.0	\$69.0	\$64.0
Average reimbursements	\$47.0	\$51.0	\$45.0
Average reimbursements rate	69.1%	73.9%	70.8%
Geographic location			
Eastern region	20.0%	28.0%	22.4%
Southern region	27.0%	20.0%	24.6%
Midwest region	24.0%	22.0%	26.1%
Western region	28.0%	29.0%	26.9%
Outside U.S.	1.0%	1.0%	0.0%
Licensure			
One state	75.4%	63.6%	67.3%
Two states	17.6%	25.8%	24.8%
Three or more states	7.0%	10.5%	7.9%

ABOUT THIS SURVEY

Throughout August/September 2009, *Chiropractic Economics* extended an invitation by e-mail to readers and other practicing chiropractors to complete a Web-based survey on fees and reimbursements.

We limited survey participants to practicing chiropractors or their designated office managers/CAs to assure accuracy of information.

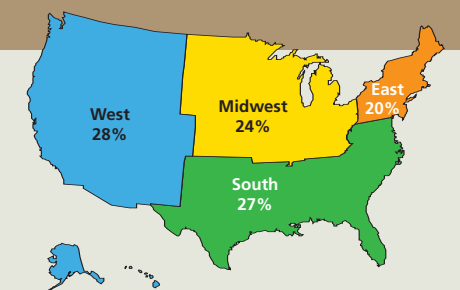
- **Number of Participants.** This year the analysis is based on the

answers of 507 respondents.

- **Regional Distribution.** Broken into four regions of the country, participants hailed from the West (28 percent), the South (27 percent), the Midwest (24 percent), the East (20 percent), and outside the U.S. (1 percent). Every state was represented in this year's survey.

- **Averages.** Unless indicated otherwise, all numbers are given as averages.

- **Cash-only Practices.** Cash-only



practices reported fees only.

The survey results are provided for informational purposes only. They are not intended to be used as a recommendation for setting fee levels.

THE TALE OF FOUR REGIONS

Respondents in this year's survey reported an average of \$68 for all fees charged — down \$2 from last year — while the average reimbursement (amount collected from insurers) was \$47, a difference of \$5 from 2008.

When looking at fees and reimbursements by region, however, you'll notice only a slight variation.

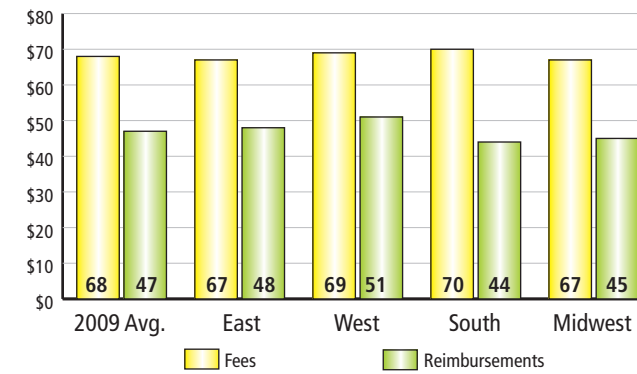
Unlike last year, all regions remained relatively close in fees and reimbursements. The south took top honors, charging on average the highest fees (\$70), but the lowest reimbursements (\$44). The Eastern and Midwestern

regions had the lowest fees (\$67) and average reimbursements of \$48 and \$45, respectively. The Western region average fees of \$69, while averaging the highest reimbursement average (\$51).

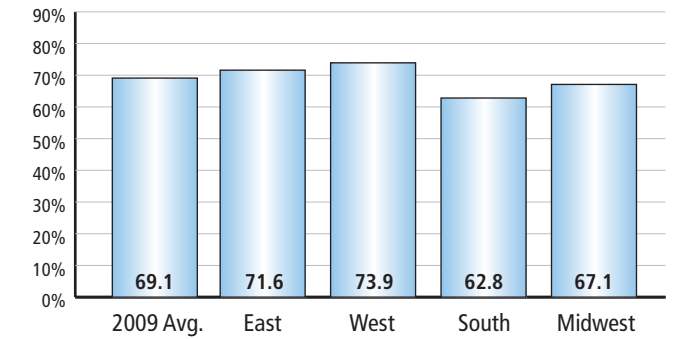
The West and East claimed the highest reimbursement rate averages at 73.9 percent and 71.6 percent, respectively. Rounding out the bottom two were the Midwest with a 67.1 percent reimbursement rate and the South with the lowest reimbursement rate (62.8 percent).

These are compared to an overall reimbursement rate average of 69.1 percent, compared to 74.2 percent from 2008.

Comparisons by Region



Percent Reimbursed by Region



	2009			Eastern Region			Western Region			Southern Region			Midwestern Region		
	Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.	Fee	Reimb.	% Reimb.
Professional care															
98940 Spinal, 1-2 regions	\$45.00	\$32.00	70.2%	\$47.00	\$32.00	68.0%	\$47.00	\$33.00	70.2%	\$45.00	\$31.00	68.8%	\$43.00	\$31.00	72.0%
98941 Spinal, 3-4 regions	\$55.00	\$40.00	72.7%	\$54.00	\$37.00	68.5%	\$57.00	\$41.00	71.9%	\$55.00	\$38.00	69.0%	\$51.00	\$39.00	76.4%
98942 Spinal, 5 region	\$64.00	\$45.00	70.3%	\$62.00	\$44.00	70.9%	\$64.00	\$44.00	68.7%	\$64.00	\$47.00	73.4%	\$63.00	\$47.00	74.6%
98943 Extraspinal, one or more regions	\$38.00	\$25.00	65.7%	\$42.00	\$30.00	71.4%	\$40.00	\$26.00	65.0%	\$38.00	\$23.00	60.5%	\$35.00	\$24.00	68.5%
99213 Estab. patient w/expanded hist. and exam, low complx. trmt. decision	\$75.00	\$53.00	70.6%	\$79.00	\$58.00	73.4%	\$74.00	\$55.00	74.3%	\$73.00	\$52.00	71.2%	\$73.00	\$52.00	71.2%
99214 Estab. Patient w/expanded hist. and exam, low complx. trmt. decision	\$103.00	\$75.00	72.8%	\$105.00	\$74.00	70.4%	\$100.00	\$77.00	77.0%	\$104.00	\$70.00	67.3%	\$105.00	\$74.00	70.4%
New patient exam															
99201 E&M service, new patient, focused hist. and exam, straightforward medical-decision making	\$61.00	\$41.00	67.2%	\$67.00	\$49.00	73.1%	\$69.00	\$44.00	63.7%	\$57.00	\$39.00	68.4%	\$54.00	\$39.00	72.2%
99202 E&M service, new patient, focused hist. and exam, straightforward medical-decision making	\$82.00	\$58.00	70.7%	\$87.00	\$64.00	73.5%	\$89.00	\$60.00	67.4%	\$84.00	\$58.00	69.0%	\$75.00	\$54.00	72.0%
99203 O.V. w/detailed hist. and exam w/low. complx. trmt. Decision	\$113.00	\$80.00	70.7%	\$118.00	\$81.00	68.6%	\$119.00	\$84.00	70.5%	\$118.00	\$76.00	64.4%	\$110.00	\$79.00	71.8%
99204 O.V. w/comprehensive hist. and exam w/mod. complx. trmt. decision	\$154.00	\$112.00	72.7%	\$162.00	\$110.00	67.9%	\$155.00	\$137.00	88.3%	\$166.00	\$102.00	61.4%	\$145.00	\$100.00	68.9%
Radiology															
72020 Single view x-ray	\$43.00	\$32.00	74.4%	\$37.00	\$29.00	78.3%	\$46.00	\$37.00	80.4%	\$41.00	\$29.00	70.7%	\$46.00	\$33.00	71.7%
72040 Cervical, AP and lat.	\$78.00	\$50.00	64.1%	\$66.00	\$49.00	74.2%	\$80.00	\$56.00	70.0%	\$77.00	\$47.00	61.0%	\$80.00	\$48.00	60.0%
72050 Cervical (4 views)	\$124.00	\$80.00	64.5%	\$100.00	\$82.00	82.0%	\$121.00	\$91.00	75.2%	\$131.00	\$78.00	59.5%	\$133.00	\$72.00	54.1%
72052 Cervical, (comp.)	\$151.00	\$105.00	69.5%	\$136.00	\$94.00	69.1%	\$130.00	\$109.00	83.8%	\$164.00	\$94.00	57.3%	\$162.00	\$99.00	61.1%
72070 Thoracic, AP and lat.	\$79.00	\$52.00	65.8%	\$71.00	\$53.00	74.6%	\$81.00	\$60.00	74.0%	\$81.00	\$51.00	62.9%	\$78.00	\$45.00	57.6%
72100 Lumbrosacral, AP and lat.	\$82.00	\$53.00	64.6%	\$71.00	\$57.00	80.2%	\$85.00	\$60.00	70.5%	\$82.00	\$52.00	63.4%	\$82.00	\$46.00	56.0%
72170 Pelvis, AP	\$71.00	\$50.00	70.4%	\$69.00	\$49.00	71.0%	\$76.00	\$64.00	84.2%	\$68.00	\$44.00	64.7%	\$70.00	\$46.00	65.7%
Procedures and modalities															
97012 Traction, mechanical	\$29.00	\$18.00	62.0%	\$33.00	\$23.00	69.6%	\$28.00	\$17.00	60.7%	\$29.00	\$18.00	62.0%	\$27.00	\$18.00	66.6%
97014 Electrical stimulation	\$27.00	\$17.00	62.9%	\$31.00	\$26.00	83.8%	\$27.00	\$17.00	62.9%	\$27.00	\$15.00	55.5%	\$24.00	\$17.00	70.8%
97035 Ultrasound	\$29.00	\$17.00	58.6%	\$30.00	\$18.00	60.0%	\$32.00	\$19.00	59.3%	\$29.00	\$18.00	62.0%	\$24.00	\$15.00	62.5%
97110 Therapeutic exercises	\$40.00	\$27.00	67.5%	\$45.00	\$27.00	60.0%	\$39.00	\$28.00	71.7%	\$40.00	\$26.00	65.0%	\$38.00	\$28.00	73.6%
97112 Neuromuscular re-education	\$41.00	\$28.00	68.2%	\$42.00	\$25.00	59.5%	\$41.00	\$29.00	70.7%	\$43.00	\$28.00	65.1%	\$38.00	\$28.00	73.6%
97124 Massage	\$41.00	\$29.00	70.7%	\$40.00	\$29.00	72.5%	\$43.00	\$33.00	76.7%	\$40.00	\$24.00	60.0%	\$41.00	\$33.00	80.4%
97140 Manual therapy	\$40.00	\$27.00	67.5%	\$44.00	\$29.00	65.9%	\$43.00	\$30.00	69.7%	\$40.00	\$23.00	57.5%	\$36.00	\$27.00	75.0%
97530 Therapeutic activities	\$43.00	\$29.00	67.4%	\$36.00	\$25.00	69.4%	\$44.00	\$28.00	63.6%	\$44.00	\$29.00	65.9%	\$44.00	\$30.00	68.1%
Overall Averages	\$68.00	\$47.00	69.1%	\$67.00	\$48.00	71.6%	\$69.00	\$51.00	73.9%	\$70.00	\$44.00	62.8%	\$67.00	\$45.00	67.1%

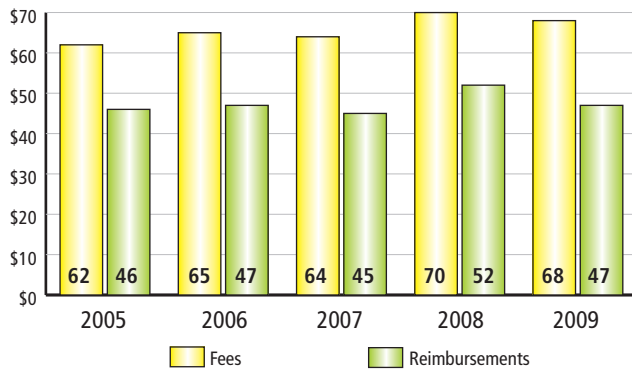
Is change in the air?

With our current economy slowly improving, so too are the outcomes of our annual fees and reimbursements survey.

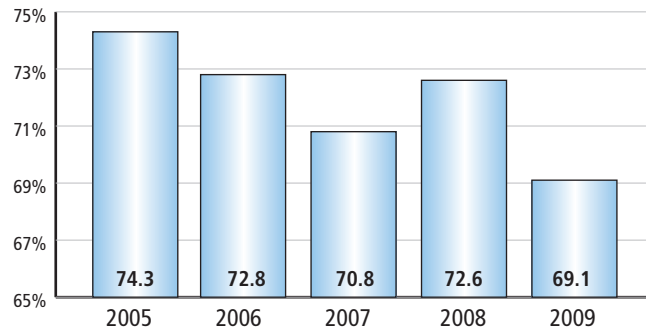
At 69.1 percent, reimbursement rates dropped from last year's 72.6 percent, but are more on par with 2007's rates. Whether this trend will continue in the future remains to be seen.

Similarly, this year's fees and reimbursements also declined from last year — but only slightly. Respondents reported average fees of \$68 this year, which is down \$2 from last year but higher than 2005-2007's averages. This year's reimbursement average (\$47), however, remained close to those of 2005-2007, but dropped \$5 from last year's average of \$52.

Year-by-Year Comparison of Fees and Reimbursements 2005-2009



Year-by-Year Comparison of Reimbursement Rates 2005-2009



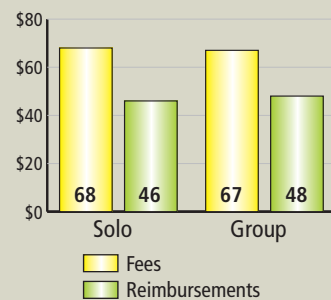
The battle of solo vs. group

While 73.7 percent of the respondents still prefer to operate as solo practitioners and were able to set higher fees (\$68 vs. \$67 for groups), groups had better reimbursements, \$48 compared to \$46 for solo DCs.

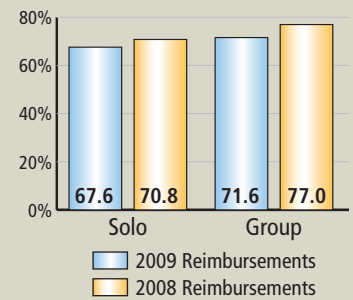
This year's survey shows that reimbursement rates dropped for both practices, but came more in line with two years ago. Solo practitioners' reimbursement rates were 67.6 percent compared to 70.8 percent in 2008 and 68.7 percent in 2007, and group practitioners rates were 71.6 percent compared to 77.0 percent last year and 72.7 percent for 2007.

Respondents in group practices employ a greater percentage of specialists than do solo DCs. One such example is a licensed massage therapist, with 59.4 percent of groups employing one compared to 39.6 percent of solo DCs.

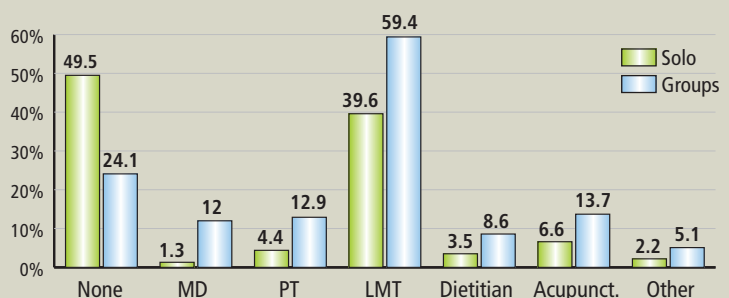
Solo vs. Group: Fees and Reimbursements



Solo vs. Group: Reimbursement Rates



Specialists Working in Solo and Group Clinics



DCs vs. MDs: How do they compare?

It appears that chiropractors aren't the only healthcare profession seeing a shift in fees and reimbursements. While DCs saw their fees charged remain similar to past years, reimbursement averages dropped significantly. On the other hand, MDs saw a positive shift in reimbursement averages compared to the fees they charged.

While DC codes and MD codes are generally different in comparison, there are several codes both professions have in common, including 99201 (evaluation and management for new patient) and its variations — 99202, 99203, and 99204.

In a similar survey published in the February 2009 issue of *Physicians Practice*, a business journal for medical doctors, the average fees charged by MDs for 99201 increased from \$73 to \$83 this year. For the same code, however, chiropractors saw a large decrease in their fees from \$79 last year to \$61.

For the same code, reimbursement averages improved for MDs and decreased for DCs. Last year MDs received an average of \$36 in

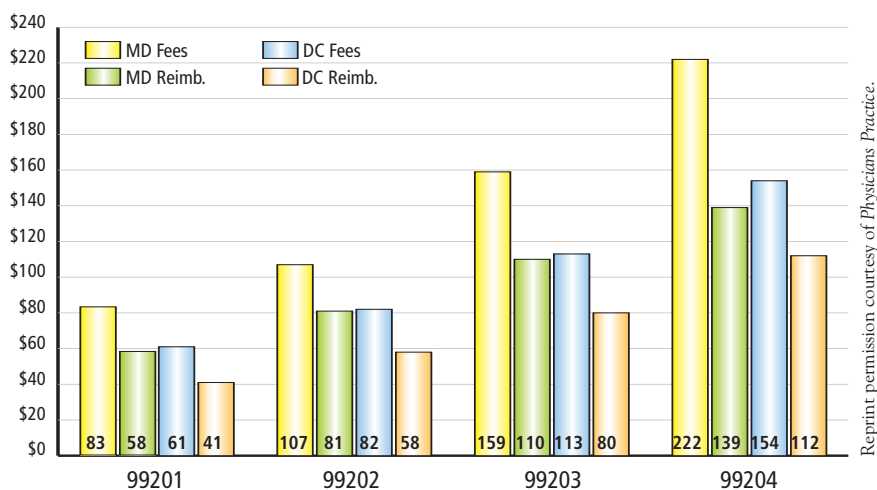
reimbursements, compared to \$58 this year. For DCs, results showed a decrease from \$59 last year to \$41.

For code 99202, MD's fees increased from \$102 last year to \$107. MDs, however also saw an improvement in reimbursement averages, shifting from \$57 last year to \$81 this year. While DCs saw a decrease in fees for this code from \$86 to \$82, they also experienced a decrease in reimbursements from \$63 to \$58 this year.

For code 99203, MD's fees increased from \$144 last year to \$159 this year, while their reimbursement averages improved from \$79 to \$110 this year. For DCs, fees remained the same as last year at \$113, however, reimbursement averages dropped from \$90 to \$80.

For code 99204, MD's fees rose from \$201 last year to \$222 this year, while reimbursement averages similarly rose from \$102 to \$139. Fee averages rose for DCs, shifting only slightly from \$152 to \$154, while reimbursements dropped from \$122 to \$112.

Comparison of MD and DC Fees and Reimbursements



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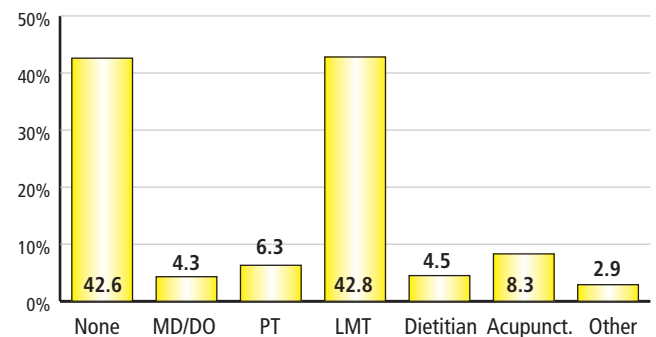
Fees and reimbursements better 'under one roof'

Generally speaking, integrated healthcare practices are more profitable than standalone practices mostly due to the fact that they bring in higher fees and higher reimbursements than practices without specialists.

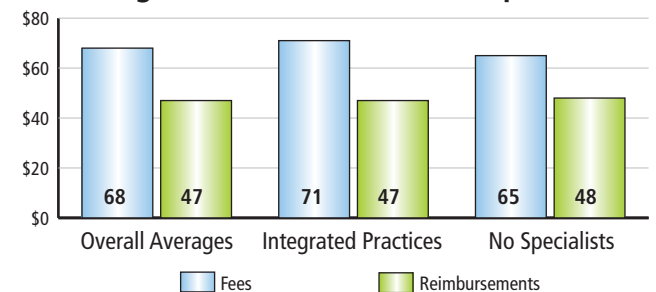
The past few years have seen more than half (54.0 percent this year, 64.0 percent last year, and 54.4 percent in 2007) of the respondents having some type of specialist on staff — an MD or DO, physical therapist, or licensed massage therapist. This year integrated practices charged on average \$71 and got reimbursed \$47, compared to \$68 in fees and \$49 in reimbursements in 2008. Practices without a specialist on staff averaged \$65 in fees and \$48 in reimbursements, compared to \$61 in fees and \$42 in reimbursements last year.

As far as employing a specialty in your clinic is concerned, all specialties saw an increase in this year's survey with licensed massage therapist (LMT) remaining at the top of the most popular specialist to employ list at 42.8 percent, followed by acupuncturist with 8.3 percent and a physical therapist with 6.3 percent. Only 4.3 percent of respondents reported having a medical doctor as part of their team.

Specialists on Staff in Chiropractic Offices



Integrated Healthcare vs. No Specialists



A look at franchise owners

This year's survey indicated a slight rise in chiropractors who own a franchise — increasing from 4 percent in 2008 to 5.9 percent in 2009. This may indicate the reason for the drop in fees and reimbursement averages, as well as the shift in reimbursement rates for franchise owners.

Franchise owners saw a decrease in fees charged (from \$79 in 2008 to \$68 in 2009), as well as a decrease in reimbursement averages (from \$61 to \$38). These are compared to this year's overall fee and reimbursement averages of \$68 and \$47, respectively.

Similarly, franchise owners also saw a decrease in reimbursement rates, falling from 68.3 percent last year to 55.8 percent in 2009. This is compared to this year's overall reimbursement rate average of 69.1 percent.

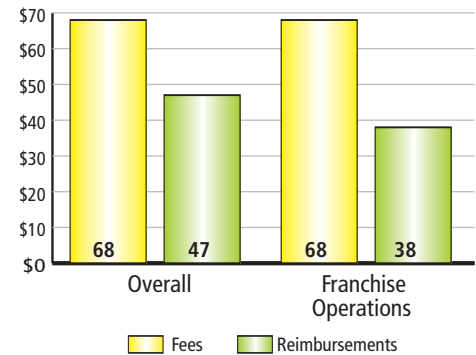
Other franchising facts

Like years past, the average age of franchise owners is slightly younger than the overall average (38.7 compared to 44.4). This year's survey also indicated that males are more likely to own franchises at 86.2 percent.

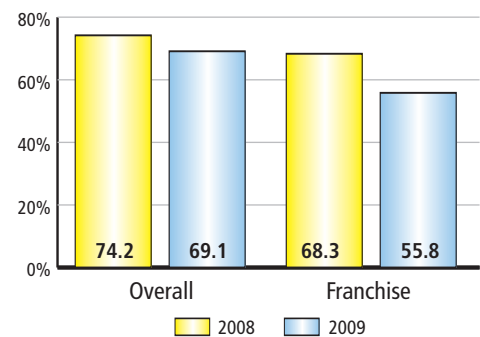
A little more than half of franchise owners are solo practitioners (58.6 percent), while 34.4 percent are in a group and 6.8 work as associates.

Favored modalities offered by the franchise owners are exercise (79.3 percent), physical therapy (68.9 percent), and massage (58.6 percent).

Comparison of Franchise Fees and Reimbursements with Overall Averages



Franchise Reimbursement Rates



A change in cash-only rates

The past three year's surveys have seen a decrease in respondents reporting cash-only practices. In 2006, respondents reported the highest percent at 21.1 percent, but then the responses decreased to 15.0 percent in 2007, down again to 10.7 percent in 2008, and then down yet again to our current percentage of 8.8 percent.

As we pointed out the last two years, 2006 might have been an anomaly with that year's particular survey. More likely, however, given the good economy of 2006, it might have been easier to obtain cash from a patient than in less robust economies.

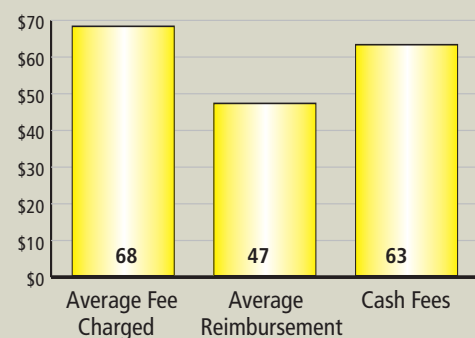
Cash fees charged in 2008 reached \$80 compared to \$65 in 2007 and \$63 this year.

By strict definition, a cash-only practice would have no reimbursements. So, fees in a cash-only practice are equivalent to reimbursements (collections). Cash-only practices fees of \$63 are a 34.0 percent increase compared to an overall average reimbursement of \$47.

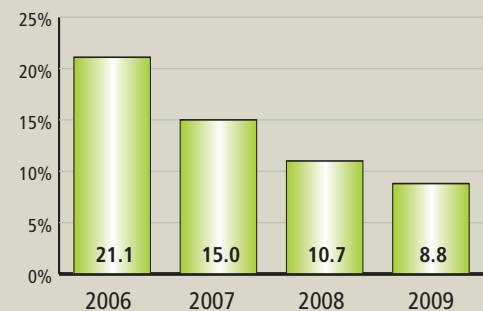
Who runs cash-only practices? Our survey shows the majority of DCs (81.3 percent) are male, age 46.7, and 81.3 percent are in solo practices. Those respondents operating cash-only practices have been working as a practitioner for 15.8 years.

In terms of offered modalities, 30.2 percent offer physical therapy and 51.1 percent offer nutrition.

Cash Fees vs. Reimbursements



Percent of Cash-Only Practices



Battle of the sexes

Respondents of this year's survey, like years past, are typically dominated by male DCs — with 80 percent being male and 20 percent female. Female respondents have also proven to be, on average, younger (42.6) than their male counterparts (44.9).

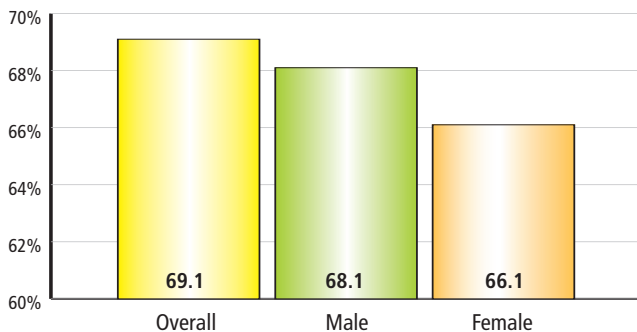
On average, female DCs have typically been in practice fewer years (13.1) than male DCs (15.9). Also, among these respondents, 27.6 percent of female DCs are in group practice compared to 22.2 percent of male DCs.

Among the modalities offered, only nutrition shows a wide disparity between the genders. Of the male DC respondents, 54.4 percent offer nutrition while only 30.4 percent of female DC respondents offer it.

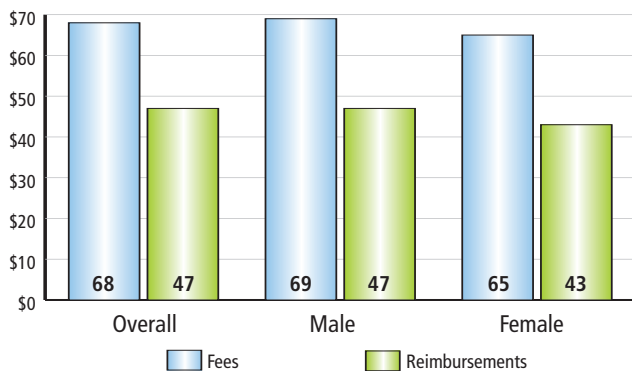
Regarding fees and reimbursements, only a few dollars separates male from female, with male DCs typically charging more and being reimbursed more. Male DCs charged more (\$69) compared to female DCs (\$65). Similarly, males were reimbursed more (\$47) compared to females (\$43). Following the trend of higher fees and reimbursements, male DCs also recorded higher reimbursement rates (68.1 percent) than female DCs (66.1 percent).

	Overview	Male (80%)	Female (20%)
Personal			
Age	44.4	44.9	42.6
Years in practice	15.4	15.9	13.1
Types of practices			
Solo	73.7%	75.6%	67.6%
Group	23.7%	22.2%	27.6%
Associate	2.7%	2.0%	4.7%
Owns franchise	5.9%	6.5%	3.8%
Cash only	9.0%	9.1%	7.7%
Modalities			
Chiro only	31.0%	32.4%	32.3%
Acupuncture	16.8%	17.5%	16.1%
Exercise	61.7%	64.9%	59.0%
Homeopathy	8.7%	9.1%	8.5%
Massage	50.8%	51.0%	57.1%
Nutrition	53.0%	54.4%	30.4%
PT	61.9%	66.7%	55.2%
Weight loss	23.1%	22.5%	29.5%
Decompression	22.1%	23.0%	22.8%
Other	13.6%	12.3%	20.0%
Specialists			
None	42.7%	46.8%	34.2%
MD/DO	4.3%	4.4%	3.8%
PT	6.3%	7.0%	4.7%
LMT	42.9%	41.3%	54.2%
Dietitian	4.5%	4.7%	4.7%
Acupuncture	8.3%	8.9%	7.6%
Other	2.9%	2.3%	5.7%

Reimbursement Rates: Male vs. Female



A Gender Comparison of Fees and Reimbursements



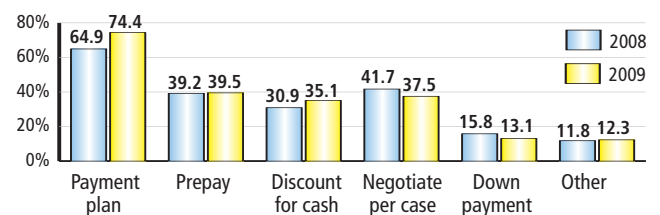
Offering payment options

Almost three-quarters (74.4 percent) of respondents offer some type of payment plan, with the most popular (39.5 percent) being a prepay plan.

While the “negotiate per case” plan saw a slight decrease (37.5 percent this year down from 41.7 percent last year), it was still among the most popular coming in second. It is then followed by a discount for cash plan (35.1 percent) and a down payment plan (13.1 percent).

Just a little more than 12 percent (12.3 percent) offer other types of payment options, such as facilitation of financing through a financial company, weekly and monthly payments, installment payments, and case-by-case consideration.

Payment Options




A few additional codes to note

This year's survey asked for additional information on three codes: 95851, range-of-motion testing; 95831, muscle testing; and 97750, physical-performance evaluation.

Average fees for range-of-motion testing were \$60, while average reimbursements were \$38 — a reimbursement rate of 63.3 percent.

Average fees for muscle testing were \$58, with an average reimbursement of \$38 — a reimbursement rate of 65.5 percent.

Average fees for physical-performance evaluation were \$66, with an average reimbursement of \$50, and a reimbursement rate of 75.7 percent. 

Additional Codes

