

# Eli's REHAB REPORT™

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## Inside this issue...

### Features

#### Business Strategies

*Tough Economic Times? Try These Innovative Ways to Save* ..... 73

#### Inpatient Insights

*Heads Up: Final PPS Rule Packs a Punch for IRFs* ..... 74

#### Practice Pointers

*Don't Get Too Discount-Happy With Patients* ..... 75

#### SNFs

*SNF PPS Final Rule Gives Rehab a Run for Its Money* .....76

### Clinical Rehab Roundup

▶ *Should You Restrain the Unaffected Limb in Stroke Rehab?* ..... 77

### Reader Questions

▶ *Get Confident With Your Modifier 59 Placement* ..... 78

▶ *Know Where You Stand on Therapy Caps in 2009*..... 78

### News Briefs

▶ *Careful — RACs Are Watching Your Untimed Therapy Codes* ..... 79

▶ *Stay on Top of the Latest Appeals Process Tweaks* ..... 79

▶ *Competitive Bidding Gears Up for October Launch*..... 79

▶ *Medicare Unveils Proposed 2010 HHA PPS Rates* ..... 80

**Editorial Page** ..... 80

## BUSINESS STRATEGIES

# Tough Economic Times? Try These Innovative Ways to Save

▶ *Small things add up: for example, buying cheaper stationery.*

Economic recession or not, cutting costs is on every rehab manager's mind. Whether or not your rehab practice or facility has felt the recession's impact, take it as an opportunity to get in a money-saving mode. You may be surprised at how favorably your bottom line responds.

### Identify Your Biggest Expenses

Need to urgently rescue your bottom line? Then you should target your top expenses first. That's usually payroll and lease payments.

"If you've had a drop in business, you've probably had a drop in need for some staff. You may not need to eliminate a position, but you may need to drop people's hours," says **Michael Weiner, MPH, PT**, president & CEO of PTPN in Calabasas, Calif. "It's very difficult to do, but it's a smart business decision because your highest cost of operation is your wages." You can also consider temporarily suspending certain benefits, such as dental, vision, or 401k matches, he adds.

**Important:** If you're paying rent, don't assume you have to stick with that rate. "In some cases, we have been able to renegotiate contracts that are more favorable and affordable," says **David Standifer, PT**, president of Oregon Physical Therapists in Independent Practice and owner of TAI Central Point.

"Landlords today often have other places going out of business, so they'll want to keep you and will often work with you, maybe even on a temporary basis," Weiner points out.

**Tip:** Bring creative ideas to the bargaining table. For example, "Offer to clean your own space in exchange for a lower rent so the landlord doesn't have to pay for a janitor," Weiner says. "Or, if the landlord pays utilities, tell him you'll make sure your office is totally 'green' at night (lights off, computers powered down, etc.) to save the landlord in utilities."

**Don't miss:** As for other big budget zappers besides payroll and rent, keep in mind your capital expenses. "Put off any capital expenditures that

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## BUSINESS STRATEGIES, continued

can wait,” recommends **Ellen Strunk, PT, MS, GCS**, with Rehab Resources & Consulting Inc. in Birmingham, Ala.

### Smaller Things Do Add Up

If your budget isn't hurting bad enough to make big cuts, there are lots of smaller, hidden costs you can tackle. For example, don't waste paper or printer/copier toner, Strunk says.

**Try this:** In addition to talking to your landlord, “review all business contracts (phone, yellow pages, etc.) and see if you can make changes to save money as many [businesses] have lowered rates,” points out **Chuck Felder, PT, MBA**, with HCS Consulting Inc. in Corona, Calif.

For example, consider shopping for a new health insurance policy with lower rates. “Since insurance is pretty much a commodity, you should get the most for the lowest price,” Weinper posits. And don't look just at your health insurance plan; look at your property and casualty, liability, and malpractice policies for lower rates, he adds.

You might also “renegotiate credit card interest rates if you have a good payment history, or try getting new cards with lower initial rates,” Felder suggests. And on the subject of credit cards, pay off your loans to save interest expenses, he adds. “Take the cash from reserves, but don't go too low on reserves.”

For home health therapists, keep cell phone calls to a minimum, Stunk recommends. Home health therapists can also plan routes more effectively and call patients ahead of time to save on gasoline, she adds.

**Strategy:** Consider going to a four-day, 10-hour week instead of having five eight-hour days, Weinper adds. “You get longer hours of operation, more efficiency, and a chance to save on utilities.”

Other small costs-savers Weinper suggests include buying supplies in bulk, buying supplies from local vendors who offer free delivery, using both sides of paper whenever possible, and collecting and using coupons.

*For a full list of cost-saving ideas provided by PTPN, email the editor, Lindsey Rushmore, at [RehabReport@gmail.com](mailto:RehabReport@gmail.com).* ■

## INPATIENT INSIGHTS

# Heads Up: Final PPS Rule Packs a Punch for IRFs

► **The good news: Some hidden perks are lurking inside, too.**

If you felt like a bomb dropped when you read the proposed IRF PPS rule for 2010, you'll have the same reaction to CMS' final rule. From a slew of new preadmission procedures to new care planning requirements, you have a lot to prepare for in little time.

### IRF Coverage Criteria Gets Clarified

CMS has adopted a new regulatory framework that clarifies IRF coverage criteria, including provisions on patient selection and care. These will replace the prior policies, including those in HCFAR 85-2-1, the agency announced in a press release. CMS said it would draft new guidance on the coverage criteria in the *Medicare Benefits Policy Manual*.

Here are some highlights:

- No more than 48 hours before admission, IRF patients must undergo a preadmission screening conducted by a rehabilitation physician or qualified clinician desig-

nated by the rehabilitation physician. In the Final Rule, however, patients can get this screening before the 48-hour mark as long as the rehabilitation physician or the clinician conducts a brief in-person or phone meeting within 48 hours of admission to update the patient's medical and functional status. The physician/clinician also must document this in the patient's IRF medical record. If the preadmission screening is completed by a clinician, the rehabilitation physician must document his or her concurrence with the findings and results for admission in the patients IRF medical record.

- A specialized rehab physician must order the IRF services and is responsible for the final decisions on the patient's treatment. “CMS makes it clear that the physician has to step to the front and be very visible,” observes **Fran Fowler, FAAHC**, managing director of Health Dimensions Group in Atlanta. “The physician has to sign off on all key decisions made in team meetings.”

We welcome your comments and suggestions! Please let us know what you would like to see addressed in our report.

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