Introduction to Third Party Reimbursement

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Athletic trainers have been advocating for professional advancement via consistent recognition by insurers for decades. The topic of third party reimbursement can be complex even for the most seasoned healthcare professionals. A tremendous opportunity exists within the profession of athletic training to increase awareness as to what third party reimbursement is, and what potential it brings to the profession, regardless of practice setting. As awareness is a first step towards meaningful change, the content within this section is intended to build foundational knowledge of third party reimbursement concepts that support increasingly effective advocacy of payors and employers.

What is third party reimbursement?

The term third party reimbursement implies that there are three distinct parties involved in a healthcare related interaction:

1. The consumer of healthcare services (i.e. the patient)
2. The provider of healthcare services (i.e. the healthcare provider)
3. A separate entity involved in the payment for the healthcare services provided (i.e. a medical insurance company)

Therefore, the term third party reimbursement implies that payment for healthcare services is made by an insurance company on behalf of the patient.

How does third party reimbursement work?

While a number of factors can influence the process (e.g. type of healthcare service provided, type of insurance covering the patient, environment in which the healthcare services are rendered, etc), in general the process follows the following steps:

1. The healthcare services are rendered by the provider for the patient
2. The provider documents the care provided
3. The documentation is translated into a series of codes related to the diagnosis and the procedure performed
4. These codes, associated documentation, and a bill of charges for services rendered are sent to the insurance company for consideration
5. If deemed appropriate as part of an existing contract between the insurance company and the healthcare provider, the insurance company remits payment for services to the healthcare provider
6. The patient is then responsible for providing payment for any additional charges not covered by the insurance company to the healthcare provider

Can athletic trainers bill third party payors?

Athletic trainers can bill third party payors for services rendered so long as the athletic trainer was providing services deemed appropriate by their state practice act. As outlined further in the NATA Coding Overview & Athletic Training Evaluation Coding documents, a series of Common Procedural Terminology (CPT) codes exist specific for the use athletic trainers performing evaluations and re-

evaluations of conditions. Additionally, a series of Physical Medicine & Rehabilitation (PM&R) codes involving interventions such as therapeutic exercises, the use of modalities, etc. are not profession specific and can be utilized by qualified healthcare professionals operating within their scope of practice.

Why don't more athletic trainers bill third party payors?

Billing for healthcare services and actually receiving reimbursement for them are two different things. If a payor has not included athletic training services as part of their existing contract, or has intentionally indicated that they will not reimburse for athletic training services, the payor is not obligated to provide payment for the services. While there is a growing list of payors who do recognize and reimburse services provided by athletic trainers, this recognition is currently inconsistent from payor to payor, and from state to state. If a patient's insurance carrier does not cover athletic training services and they are billed for these services, the healthcare provider risks placing financial burden on the patient.

What are the different types of payers, and what do I need to know about them?

The insurance industry is very complex. Thousands of insurance companies exist and these companies offering multiple different types of plans. In addition, while a company may share a common name, the types of plans it offers (and in turn the services covered by the plan) often vary significantly from location to location, and state. While understanding the nuances from company to company and plan to plan proves challenging, having knowledge of the general types of payers that exist is useful and follows below:

- **Government based payors:** This group includes plans such as Medicare and Medicaid and is funded by federal and state governments. In general, Medicare plans are offered for individuals age 65 and older and Medicaid plans are offered for individuals / families below a specified income threshold. Additionally, Tricare is an insurance plan provided to members of the military. A few things are important to note about government based payers:
    - Government based payers cover a significant amount of lives in the United States
    - Reimbursement rates from government based payers is typically less than other types of payers
    - Other types of payers typically follow rules and standards set by government based payers

- **Commercial payors:** This group includes plan typically offered by employers or available for direct purchase by consumers. As noted above, commercial payors often offer a variety of plan types that provide varying levels of coverage at varying levels of cost to the consumer. In general, commercial payers provide a much higher rate of reimbursement for services than government based payers.

- **Worker's Compensation payers:** This group includes plans typically offered as a secondary insurance by employers for accidents, injuries and illnesses related to employment for their employees. In general, athletic trainers have historically had success in obtaining consistent recognition from worker's compensation payers.