

An Acupuncture Corporation

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Dear AcuCare member.

A lot has happened since our last mailing and new information is included in this update. Please read it carefully and call us with any questions you may have.

When we began AcuCare, nearly 10 years ago, our main focus was to become Preferred Providers in as many networks as possible concentrating on those that assure fair compensation and easy access. We signed contracts with some of the leading companies in the nation and made it known that acupuncturist and acupuncture are represented in the managed care system.

With time, our medicine has become more accepted and more networks offer acupuncture providers. Some networks consolidated or were bought out by others and our members found themselves providers for companies that were unfamiliar to them. We have recently approached some of these networks to re-negotiate terms and felt that now was also the time to request better compensation for our services.

#### Multiplan:

Our association with this network comes from our original contract with Admar, which was later bought by BCE Emergis, which was, in turn, acquired by Multiplan. Due to recent members' complaints about discounted rates, we approached Multiplan and renegotiated our contract. We are very happy to announce that we received verbal and email approval for a 10% discount from the billed fees. Please remember to use the new acupuncture codes, bill your regular rate for initial and additional 15 minutes, an office visit and any other modalities you are using. This rate is retroactive to December 2004. If any of your bills were excessively discounted and Multiplan is named in your EOB (Explanation of Benefits), please resubmit them, and allow 4 weeks for reprocessing. Please contact Claudia Aechternacht at MultiPlan, 4911 Star Canyon Road Spicewood, Texas 78669, Office: 512-264-9191 if your resubmitted bills did not process correctly.

#### Interplan:

Our original contract, effective December 2004, allowed a reimbursement rate of 120% of the 2004 Resource-Based Relative Value Scale (RBRVS). The rate for CPT 97780 (acupuncture) was 50.81 and 63.08 for CPT 97781 (Electro-stimulation) (\$52.5 x 120%).

As the members begin using the new acupuncture codes certain problems have been identified. Some members are using only one code- 97810 for acupuncture or 97813 for electro-stimulation. The reimbursement is still 120% of the RBRVS, but in this case only \$29.93 (\$24.94 x 120%). To come up to par with our old contracted rate for acupuncture you must add the additional second 15 minutes 97811 which will pay you an additional 25.15 (\$20.96 x 120%) a total of \$55.08 for acupuncture. For Electro stimulation you must bill both 97813 and 97814 for a total payment of \$59.86.

We approached Interplan to renegotiate a better compensation rate, and requested to change the reimbursement to a discount from billed prices, the same discount mechanism we have with Beech Street and Multiplan. The reason behind this request is that we believe the insurance companies will apply the highest discount available to them when they have a choice between using the Multiplan, Interplan, Beech or any other network they contract with. We also real-

ized that many of you were treating the same patients but your rates were reduced due to your participation but with no increase in new patients.

Unfortunately, as hard as we tried, we could not reach an agreement with Interplan and notified them that we are terminating our contract with them. According to the terms they will remove us from their list by September 1. During this period, please remember to bill for both acupuncture/electro codes and all other modalities to insure that you maximize your reimbursement.

If you wish to continue as a member of Interplan after our contract terminates, please contact Dale Bass or Seth Merritt at (800) 444-4036 extensions 7116 & 7117.

#### PHCS (Private Health Care Systems)

After hearing many of your concerns regarding the mediocre reimbursement from PHCS, we approached the company to get some clarifications on what exactly their "usual and customary" rates are. Unfortunately, they could not give us an amount that they consider R&C, explaining that each of their 300 payors may have a different amount that they pay. We did not feel comfortable exposing our members to the risk of low reimbursement and decided not to send PHCS your completed applications. If you wish to join PHCS individually please contact their provider relations department at: (800) 950-7040. Gayle Trusk, PHCS's contract manager stated that she hopes to have a national price list by next year (2006) and at that time, if the rates are respectful to our members (you), we may again enter into a contract with them.

#### Cigna

We have been in contact with Cigna regarding the new acupuncture codes but have not received any update regarding reimbursement rate changes in regards to these new codes. Please remember to use two codes when you are billing with the new codes or, if you prefer, you may continue using the old codes.

As for the conditions covered, Cigna clarified that they continue reimbursing acupuncture treatments for 1) nausea and vomiting associated with pregnancy, 2) nausea and vomiting associated with chemotherapy, 3) postoperative nausea and vomiting, 4) postoperative dental pain (if the dental condition was covered under medical benefits).

As an adjunct to standard therapy when conservative methods have failed for either of the following conditions: 1) chronic headaches or/and 2) chronic pain (limited to a- osteoarthritis of the knee, b-chronic back pain and c-neck pain).

We are working with them to expand the diagnosis covered and will inform you as soon as we hear something new.

#### Focus / Concentra / MetraComp

Our contract with these companies is for Workers' Compensation only. If your regular bills or PI (personal injury) were discounted please resubmit and remind the payer that this is a mistake on their part, and you may want to contact: Tiffany Rice, Compliance Specialist, FOCUS/Concentra Network Services, 720 Cool Springs Blvd #300, Franklin, TN 37067 phone: (800) 243-2336 ext 4313, Fax: (615) 224-9114.

Beech Street

We have contacted the Beech Street to clarify their reimbursement rates for the AcuCare group. Please note that our contract is based on a 1974 RBRVS fee schedule, and during that period acupuncture was not part of that schedule. This means that our acupuncture codes will be discounted 20%. The rest of the procedures will be paid as follows:

97810,97811,97813,97814	80% of billed prices.
97139	\$17.93
99201	\$46.83
99202	\$72.59
99203	\$100.66
99204	\$147.02
99211	\$22.17
99212	\$40.48
99213	\$55.65
99214	\$84.41
97010	\$13.34
97112	\$27.14

Communication

We would like to ask you all to provide us with your email, so we may communicate electronically, saving paper, postage and many hours of folding and stuffing. Please email your contact information to Marcia [acucare@acucare.com](mailto:acucare@acucare.com) so we may update our system.

Thank you for your support. Our staff will continue working diligently with each of your concern and well being in our hearts.

In Good Health

Ilan Migdali, L.Ac  
President, AcuCare