



**BlueCross BlueShield
of Vermont**

Independent Licensees of the Blue Cross and Blue Shield Association.

May 28, 2009

Dear Physical Therapist:

Over the last few years we have experienced a significant increase in the physical therapy cost of care per member per month.

Detailed investigation has shown that, while a majority of our network physical therapists are able to treat a member's condition through a course of treatment that aligns with other physical therapy providers, a small percentage of physical therapists significantly exceed their peers in terms of cost of treatment per member and average length of treatment per member.

At this time, for the majority of the network physical therapists, we will not be implementing any change to our current prior authorization process. For the small percentage of physical therapists who are frequently exceeding the 30 visit limit and / or have a significantly high dollar cost per course of treatment we will be implementing a change to the prior authorization requirements that will be effective July 1st. In order to help understand these variations in practice, we will begin requiring prior authorization after the initial visit for a small group of physical therapist. This will help ensure that we are appropriately reimbursing for medically necessary covered services and help to alleviate the need for retrospective audit and recovery. Should this change effect you or your practice a Provider Relations Consultant will be in contact to detail this change to the prior approval process and answer any questions you may have.

We will continue to monitor and trend the physical therapy care that our members are receiving and adjust the prior authorization requirements as appropriate with advanced notice.

BCBSVT has recently completed the annual review and update of the Physical and Occupational Therapy Medical Policy. The revised policy will be posted to the medical policy section of the bcbsvt.com website by mid June.

If you have any questions, please feel free to contact your Provider Relations Consultant at (888) 449-0443.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Bond', with a long horizontal flourish extending to the left.

John Bond
Director, Provider Relations