PRIVATE PRACTICE SECTION
American Physical Therapy Association

Final Task Force Report
Private Practice Section
Business Model Task Force
Report and Recommendations
June 2015

Task Force members: John Wallace (Chair), Jeff Ostrowski (PPS Board Liaison), Carl DeRosa, Rob Worth, Karen Davis, Michael Connors, Brett Roberts. PPS staff support provided by Laurie Kendall-Ellis, Catherine Langley, and Allyson Pahmer

Task Force Activities

The Business Model Task Force was appointed July 8, 2014 and the first meeting was held on August 28, 2014. The group held 5 teleconference meetings and one face-to-face meeting at the Broadmoor Resort in conjunction with the PPS Annual Meeting.

Charge to Business Model Task Force from PPS President Diangelis

The Business Model Task Force charge is to recommend to the PPS Board of Directors for their consideration, statements regarding positions of suitable business relationships for PPS members with other professionals and/or entities. The task force should consider all scenarios that are presently being implemented, as well as potential future relationships as healthcare evolves. These positions can be simple statement(s), strategies or in any formats the task force feels the BOD should consider.

Background and Analysis

PPS Activity: The original Business Model Task Force was convened in 2011 with its final report submitted in 2013. Its charge was:

> "The Private Practice Section (PPS) of the American Physical Therapy Association, sparked by continued debate related to the viability of current business models as well as the uncertain future of healthcare, charged a diverse task force of its members to dive deeper into these issues and deliver on three primary directives:
>
> 1. To investigate and comment on existing business models.
> 2. To investigate and describe alternative business models that are not commonplace.
> 3. To provide recommendations to the PPS Board of Directors for discussion on advancing and educating members on business models."

This task force provided a review of existing business models, provided an environmental scan of the emerging healthcare environment and the potential effects on physical therapy private practice business models and made recommendations regarding the creation of an internal structure to support the identification of emerging

business models and dissemination of this information to the membership. That report is attached in Appendix A.

Given the work product produced by the original task force, the current task force members decided to focus on several key areas:

- Identification of specific governance positions on business relationships for physical therapists that can best position physical therapists and the physical therapy practice industry for clinical and economic success in the future
- To gather information via survey modeled on SWOT analysis, on the current thought and impression of private practice PTs regarding the suitability and viability of current business models for the future of healthcare given the changes emerging subsequent to implementation of Patient Protection and Affordable Care Act (ACA).
- Consider the Section's role in gathering and disseminating information on emerging practice business models and the potential for the Section taking a leadership position within the Association regarding the business of delivering of physical therapist services.

Healthcare Environment: The Affordable Care Act was signed into law to reform the health care industry by President Barack Obama on March 23, 2010 and upheld by the Supreme Court on June 28, 2012. This legislation has spurred growth and change throughout health care in the U.S. The early emphasis has been on several key areas:

- Vertical integration of service delivery in favor of the horizontal integration of service delivery that emerged in the mid-nineties as a result of the failed Clinton Healthcare initiatives. Emerging initiatives in this area include Accountable Care Organizations and the medical home model.
- Bundling of payment for acute health episodes to incentivize vertically integrated care systems to organize patient care around episodic payment for successful health outcomes.
- Emergence of pay for performance and other outcomes-based payment methodologies tied to health outcomes of patient care episodes
- The emergence of disease and episode management across multiple healthcare providers types and economic incentives for different types of healthcare providers to work together to control costs and improve health outcomes.

These emerging trends in service delivery are changing how physical therapy services are and will be paid for and will require physical therapists to adapt their provision of services and business models in order to remain relevant in the emerging business of healthcare.

The Triple Aim of healthcare, improving the patient experience of care (including quality and satisfaction); improving the health of populations; and reducing the per capita cost of health care, will force the alignment of incentives among patients, providers and payers of healthcare. This fundamental shift in healthcare focus from payment for services to payment for health outcomes will create opportunities for physical therapist business owners in two primary areas: direct involvement in the business entities

created by ACA or taking advantage of new inter-professional business relationships facilitated by ACA.

Our survey results of practice owners and operators (the SWOT analysis referred to above) clearly indicate that PTs have significant questions about the feasibility of the traditional PT private practice in the future of healthcare (see below). Current Association positions regarding ownership and shared overhead and revenue arrangements appear to be in conflict with the emerging incentives in healthcare for different provider types to collaborate to improve outcomes and decrease costs. This is not to be interpreted as suggesting the referral for profit arrangements should be endorsed; rather it is a critical juncture in time that a thorough analysis of business relationship models be undertaken in order to keep the physical therapy industry strongly positioned in the out-patient sector. The evidence from the SWOT analysis suggests that continuing to ignore this threatens the viability of the industry.

Through the survey and via conversation with numerous physical therapists in private practice, the Task Force also became keenly aware of a growing concern and increasingly greater economic threat to private practice, namely the hospital owned physical therapy clinics that are driving narrow network practice policies through planned or existing Accountability Care Models. While the American Physical Therapy Association has chosen to largely remain silent on what is essentially a closed network, referral for profit system framed under the guise of cost savings and cost containment, it is important the Private Practice section, as the profession's major representative of free enterprise, step boldly to encourage the development of private sector business models that can effectively compete to deliver a more cost effective product. To encourage continued business isolation in practice is no longer a tenable position in an era of consolidation and interoperability.

The Section has the opportunity to provide thought leadership in gathering information and educating Association members about emerging business models that are appropriate for physical therapists.

Survey Methodology and Results

The task force undertook a survey of private practice (PPS members) and practice managers (PPS and HPA Section members) for the purpose of understanding the confidence that current practice models will be effective and viable in the future. The survey and results are contained in **Appendix B**. The surveys were distributed to PPS members at the Annual Meeting at the Broadmoor in Colorado Springs in the fall of 2014 and CSM in 2015 and by electronic distribution later in 2014 and early 2015. It was distributed to HPA Section members electronically in the spring of 2015. The results are separated by Section. The analysis of the survey (see above) are striking in the concern and the lack of confidence in current practice models are striking.

Recommendations and Commentary

Given the rapidly changing nature of healthcare delivery and the resultant effects on changes in payment for services, direction of patients and control of patient care, the task force recommends the following:

Recommendation 1: That the PPS Board undertake a review of current Association positions that bear unnecessarily on ownership of physical therapy services. Specifically, that the following Association documents be reviewed and targeted to be revised or rescinded:

APTA HOD Positions:

- OPPOSITION TO PHYSICIAN OWNERSHIP OF PHYSICAL THERAPY SERVICES HOD P06-03-27-25
- PHYSICAL THERAPIST OWNERSHIP AND OPERATION OF PHYSICAL THERAPY SERVICES HOD P06-02-24-48
- PROFESSIONAL PRACTICE RELATIONSHIPS HOD P06-02-24-47
- REFERRAL RELATIONSHIPS HOD P06-90-15-28

APTA Board of Director Positions:

- AUTONOMOUS PHYSICAL THERAPIST PRACTICE: DEFINITIONS AND PRIVILEGES BOD P03-03-12-28
- DEFINITION OF REFERRAL FOR PROFIT IN PHYSICAL THERAPY BOD P06-08-03-04
- GUIDELINES: PHYSICAL THERAPIST PAY FOR PERFORMANCE PROGRAMS BOD G11-05-06-09

Support Statement: These Association documents unnecessarily prohibit or restrict business arrangement with other providers (such as physicians) or entities (such as vertically-integrated health systems), impeding therapists from being involved in practices with other provider groups. This limits PTs from collaborative business relationships that can benefit the Triple Aim. The task force felt strongly that there are numerous examples of members participating in business models that may be in conflict with these documents and consequently be restricting useful information from the membership. The PPS Board could convene a group to undertake this project or a subset of the current task force could undertake this task for possible action by the PPS Board.

Recommendation 2: That the PPS Board invest in people and systems necessary to, on an ongoing basis, actively collect data and information on emerging practice business models and provide education to the membership on emerging business models. The task force felt that the Section is in a unique position to take the leadership role in thought and action on emerging business models and, to ignore this opportunity is to abandon it to the Association staff, another component, or to another professional entity.

Support Statement: The task force members strongly agreed with a similar recommendation from the original task force. PPS is in a unique position to spearhead a formalized effort to gather information on emerging business models, assess their effectiveness, and to disseminate education through the Section and Foundation to meet the needs of current and future practice owners. The Section should take leadership in this effort and not relinquish it to the Association staff and governance process where the complexities of managing the Association and the many issues competing for resources will dilute and divert the attention this area requires.

Recommendation 3: That the PPS Board consider a strategy to work with other clinical sections within the Association to establish resources regarding business models that are more specific to specialized clinical practice. These could take the form of special interest groups based on unique clinical practice settings, for example like hospitalist, pediatric or cardiopulmonary practices. These could be formed within PPS or within the appropriate clinical sections with the help and guidance of PPS.

Support Statement: As observed in previously, PPS is uniquely positioned to provide thought leadership in practice management and ownership across the diverse platforms of clinical practice represented by the clinical sections of the Association. Active outreach to these groups will raise awareness and validate the importance of crafting business models that support the diversity of practice within physical therapy.

Conclusions

The Section leadership has demonstrated significant vision in forming two separate iterations of a Business Model task Force. The report of the first task force is included for your reference in **Appendix B**. Two members of the original task force were also members of the second task force. The first task force focused on identification of emerging models, identification of emerging business models that were not commonplace. It also included a review of the drivers for entering into PT practice ownership and ethical considerations for those drivers.

The second task force focused its work on understanding the current thinking and confidence of the practice owners and managers in the potential effectiveness of existing business for the future. The emerging economic forces in healthcare, driven and transformed by three years of implementation of the Affordable Care Act, have had a significant impact on the confidence of the Section membership in the effectiveness and appropriateness of the predominant business models. The Private Practice Section should step forward and provide the thought leadership and resources to help create the future delivery systems and business models for physical therapist practice.

Appendix A: 2013 Business Model Task Force Final Report

PPS Business Model Taskforce
Report and Findings
Submitted 10/04/2013

Submitted to PPS BOD by BMTF Members:

Michael Eisenhart, PT - Chair
Alan Balavender, PT - Member
Bridgit Finley, PT, DPT, MEd, OCS - Member
Kevin Hulsey, PT, DPT - Member
Sean McEnroe, PT, MBA, SCS - Member
John Wallace, PT - Member
Maureen Wilhelm, PT - Member

Jeff Ostrowski, PT - Director, Board Liaison
Laurie Kendall-Ellis, PT, CAE - Executive Director
Cynthia Perez - Educational Specialist
Richard Larson, PT, OCS – Expertise provided

Executive Summary

Whether through the lens of the total burden of disease, outcomes such as quality adjusted life years, or user experience for any party involved, this American healthcare system that has served the population well for many years, is in need of a significant update. The total burden of disease in America has grown from a threat of personal health, to a threat on our health as a nation; harming our global competitiveness rating significantly and perhaps even our national security. Professions that have the ability to positively impact the underlying problem in a resource-efficient and still clinically-effective way will benefit significantly from a systematic shift in the delivery of care. Professions that can arrive at and implement viable business and payment models early will be best positioned to seize the rapidly evolving opportunities.

The physical therapy profession is uniquely positioned to provide cost-effective solutions to some of the underlying problems in our health care system. Physical therapist services are recognized by various stakeholders for their value and accessibility. However, the lack of standardized care and weak outcomes data do, and will continue to diminish the value proposition of physical therapist services. Further, the market appears to be moving toward collaborative and integrated delivery models and away from the more traditional "silo" delivery model. Entrepreneurial physical therapists will be challenged to evolve in this landscape. Tradition, parochialism and territorial attitudes may impede our progress and need to be fully examined as to their merit going forward.

The Business Model Taskforce of the Private Practice Section (herein "section") of the American Physical Therapy Association (herein "association"), explored current and potential future business models within the context of the rapidly changing American healthcare landscape in order to present the section's board of directors with a candid review and actionable recommendations. We submit the report that follows with hope that it can support further conversation and dialogue about a critical topic while maintaining adequate respect for the gravity and urgency of the topic, ultimately recommending that the following be considered by the board:

1. Establish a permanent section work group such as a Business Model Committee or Innovation "Think Tank" to:

- Survey, review, benchmark, engage and/or otherwise collaborate with other professions undergoing similar evolutions.
- Collect information about emerging business models and the relevance of existing models in use in current practice.
- Foster innovation, serve as a development incubator, run pilot programs and allow for early stage development of effective business models. Study and usher in new ideas from small or fragmented pilots through testing and ultimately to a stage that allows replicable and/or scalable versions of viable innovations.
- Serve as a clearinghouse of ideas related to new practice models by monitoring our membership and the environment for innovation.
- Collaborate with other PPS committees, such as Education, to develop and disseminate resources (manuals, webinars, etc.) related to innovative business models.

2. Craft a position statement related to acceptable business models for physical therapists.

Introduction

The Private Practice Section (PPS) of the American Physical Therapy Association, sparked by continued debate related to the viability of current business models as well as the uncertain future of healthcare, charged a diverse task force of its members to dive deeper into these issues and deliver on three primary directives:

1. To investigate and comment on existing business models.
2. To investigate and describe alternative business models that are not commonplace.
3. To provide recommendations to the PPS Board of Directors for discussion on advancing and educating members on business models.

As a result of work which began formally in September of 2012, the Business Model Task Force (BMTF) presents the following report to the PPS Board for consideration.

Report

The report is broken into the three sections, in line with the three directives to the task force:

Section 1 - To investigate and comment on existing business models. Current State: A review of the most prevalent business models and the drivers, barriers and influences on private practice physical therapy models.

Section 2 - To investigate and describe alternative business models that are not commonplace. Future State: A forward-looking statement related to the drivers, barriers and influences on private practice based on knowledge of the current state and trends in the marketplace

Section 3 - To provide recommendations to the PPS Board of Directors for discussion on advancing and educating members on business models. Recommendations and considerations for the PPS Board of Directors are provided.

SECTION 1 - TO INVESTIGATE AND COMMENT ON EXISTING BUSINESS MODELS.

Physical therapist entrepreneurs own and operate many different kinds of physical therapy businesses. Although the task force recognizes that some models exist outside of the traditional patient care setting such as consulting, software, staffing and others, this section is focused on those that exist within the more traditional practice setting, which can be broadly defined by the delivery of health care services.

The common ground in the more traditional care delivery settings is the influence of the third party payer environment. Practices are either directly billing third parties or they are strategically positioned in response to the influence of third party payers. In either case, the influence of third party payers is prominent in the strategies of these practice settings.

Therefore, in this section, the task force has focused on the strengths, weaknesses, opportunities and threats (SWOT Analysis) pertaining to the most common existing models represented in PPS - those influenced by third party payment, broadly stratified into the categories:

- Niche or Single-Owner
- Traditional Private Practice
- Management Services Organization
- Cash-based Practice

In the SWOT analysis that follows, no effort was made to prejudge the future viability of each model. The task force was asked to comment on existing models and therefore sought to highlight the issues that may be confronted by owners now and in the future. While systemic regulatory and payment influences certainly can reduce or enhance the potential for success of any models, personal and entrepreneurial traits of the owner such as work ethic, leadership, business acumen and innovation may be enough to overcome systemic influences. Ultimately, the decision to enter private practice, what model to choose, how to evolve and when to exit practice is complex. Personal, business and environmental factors must all be considered. In addition, consideration must be given to ethical practice and principles therein. The task force has also attempted to capture a variety of ethical considerations using the APTA code of ethics (as found in report appendix) as a guide. Tables 1.0 and 1.1 provide a summary for the reader of themes identified and associated ethical (current state) considerations associated with drivers for entering into and barriers associated with practice ownership respectively.

Section 1 - SWOT Analysis

Niche Practice and Single-site/Owner-operator

Strengths:

- Freedom - no boss, do it your way.
- Control - it is "your world", flexibility, type of patients, etc.
- Autocratic - single decision maker.

Weaknesses:

- Not scalable, thus income may be limited.
- Limited equity value and succession plan options.
- Reduced ability to negotiate volume based pricing for services and supplies.
- Difficulty negotiating insurance contracts.
- Freedom - May not be as "free" as you think for vacations, time off.
- Autocratic – Single decision maker.

Opportunities:

- Ability to follow your dreams.
- Control of outcomes and quality.
- "Overcrowding" of the conventional practice settings drives high wealth folks to personalized convenient service settings.
- Innovate to meet the need of the consumer in the evolving niche, concierge market.
- Quality over quantity.

Threats:

- Challenge to adapt to evolving payment and delivery models.
- Business sophistication such as EMR.
- Consolidation/industry roll-up (vertical or horizontal) can marginalize.
- Difficulty absorbing increases in cost of doing business such as rent, taxes.
- Staff recruitment and retention - competitive salary and benefit packages, growth opportunities.

Traditional Private Practice (sole proprietor with management team or multi-partner; single or multi-site)

Strengths:

- Shared risk.
- Leverages aptitudes and skill sets (partners/management team).
- Shared workload.
- Predictable, duplicable business model.
- Economies of scale (operations, purchasing, billing, recruiting).
- Access to growth and operating capital.
- Personal freedom, but constrained some by partnerships.
- Equity value is tangible.
- Income potential is more predictable, less at risk.
- Succession plan options are available and well-known.
- Ability to grow a sustainable business.
- Tangible and predictable career path for staff.

Weaknesses:

- Freedom and control is compromised (model requires a degree of collaboration with partners and management team).
- Skill set in business may be insufficient.
- Requires investment in more sophisticated management infrastructure and systems.
- Higher risk such as borrowing, leasing, exposure to legal action.

Opportunities:

- Negotiating leverage - supplies and services.
- Access to capital and equity investors for growth (organic, M&A, etc) - opportunities vary depending on financial markets, industry health, etc...
- Payer contract leverage.
- Opportunities to diversify risk and revenue streams.
- Resources available to develop and participate in innovative care delivery models such as ACOs.

Threats:

- Providing PT services in a “silo” may not meet the needs of the market going forward.
- Lack of standardized care.
- Consolidation roll-up activity.
- Market and regulatory forces behind ACA/payment changes.
- Convenience for the patient looking for “one stop shopping”.
- Challenges to effectively collaborate with other providers.
- Lack of flexibility to evolve delivery/business model to meet the needs of the market.

Management Services Organization (PT providing Stark and anti-kickback compliant contracted management services to physician, hospitals and other entities; PT not employed by entities)

Strengths:

- Revenue stream due to built-in referrals.
- Lower risk due to built-in referral source(s) and umbrella organization.
- Lower overhead (marketing).
- Leverage relationships and strengths/weaknesses across participants.
- Consumer likes "one-stop shopping".
- Leverage the organization's strength for improved payment opportunities.
- Fits with system-wide move to integrated, collaborative delivery models.

Weaknesses:

- Risk of becoming professionally ostracized from contracting with physicians ("POPTS").
- Fickle nature of physicians.
- Potential recruiting barrier.
- Personal and professional ethical considerations.
- EBITDA from a contractual relationship may be discounted in succession plan.

Opportunities:

- Many physician practices and hospitals "out there" that do not have the expertise to operate PT practices.
- Societal push to integrate services.

Threats:

- Alienation of existing or potential referral sources if you concurrently run a traditional practice model.
- May be asked/expected/pressured to do unethical acts.
- Lack of differentiation (commoditization) puts price pressure on market.

Cash-based Practice

Strengths:

- See “Niche Practice”.
- Lower barriers to entry than other models (no insurance contracts, network applications or credentialing).

Weaknesses:

- Limited access to patients able to pay (market specific).
- Not scalable (no proven model that is scalable).
- Exit strategy, succession plan is not well-known.
- Business sophistication.
- Health care consumer culture is not broadly ready to accept paying out of pocket for services.
- Probably best-suited for high income areas only.

Opportunities:

- Connoisseur consumer.
- Shift to increased patient out of pocket insurance plans (co-payments and HDHP).

Threats:

- Susceptible to changes in the economy that reduce incomes, employment.
- Payment model changes.
- Consolidation/industry roll-up (vertical or horizontal) can marginalize.
- Other providers offering services at cheaper costs or more convenience.
- Legal and regulatory - opt-out, e.g.

Table 1.0 - Current state drivers for entering into PT practice ownership and ethical considerations associated.

Driver to enter ownership	Considerations	Ethical Considerations
Freedom & Control	• Choice. • Do you really want to own a business? • Understand the difference between being a business owner and "self-employed" • Desire to build/grow something. • Building systems that allow you to "run" the business as opposed to "operating" the business. • You get to take a chance at doing it "better" than current situation.	• Ethical Principle #3. PTs shall be accountable for making sound professional judgments. • #5 – PTs shall fulfill their legal and professional obligations. • 5.A. PTs shall comply with applicable local, state, and federal laws and regulations. • #7 – PTs shall promote organizational behaviors and business practices that benefit patients / clients and society.
Financial Control (the promise of more money)	• Personal financial risk • Less stability of income (initially). • Control of decisions but not necessarily the outcomes • Profitable.	• #3 • 7.B. PTs shall seek remuneration as is deserved and reasonable for PT services.
It's your world	• Vision of the future state of "your world". • The personal-purpose and drive to work hard for a very long time • "Hedgehog concept" (what can you be the best in the	

	world at and grow it). • There is a noble-cause (aspirational)	
Low barriers to entry	• Low-capital intensity (cost for lease/equipment). • Cashflow trumps start-up capital? • Requires small start up space and few people to run a small clinic. • Can out-source to decrease some barriers such as payroll/accounting, billing and collections.	

Table 1.1 - Current state barriers associated with success as a PT practice owner and ethical considerations associated.

Barriers to success	Considerations	Ethical Considerations
Access to # of pts	• Can you get referrals? • Can you REALLY get referrals? • Is there a market "case" for your vision? • Will the market support your vision? • Access limitations (direct access or not?). • There will be loss (at first), how long can you go? • Cash on hand for relationship building window, time to generate positive cashflow.	
Access payer/payment	• Open or close panel? • Any willing provider status. • Payers/market-share in your area/credential timeline, lack of negotiating leverage	• 7.A. PTs shall promote practice environments that support autonomous and accountable professional judgments. • 7.B. -
Networks (influence)	• Can you join Networks? • Will it compromise your professional ethics? • Can you survive outside of the Networks?	• Principle #3. • 3.A. PTs shall demonstrate independent and objective professional judgment in the patient's / client's best interest in all practice settings. • 3.D.PTs shall not engage in conflicts of interest that interfere with professional judgment. • Principle #7. • 7.A. • 7.B. • 7.F.PTs shall refrain from employment arrangement, or other arrangements, that prevent PTs from fulfilling professional obligations to patients /

		clients.
Practice Management	• Totally different (and equally complex) set of skills • Best practices/benchmarks • Cannot compare performance effectively. • "Industry standards", how do we internally measure a "great" practice?	• Principle #3 • 3.A. • 3.D. • 5.A. • 7.A. • 7.C. • 7.D. • 7.F.
Competition	• Are the referral sources willing to work with you. • Or are you "hurting" them?	• 1.B. PTs shall recognize their personal biases and shall not discriminate against others in PT practice, consultation, education, research, and administration.
Access to patients	• Barriers to access could include closed panels, close networks, closed ACOs	
Capital/Start-up$/growth	• Operating capital • Time/expense to break even (including personal salary), • secured money.	• Principle #3 • 3.A. • 3.D. • 5.A. • 7.C. • 7.F.
Regulatory Issues	• awareness of current regulatory changes/unknowns.	• 5.A.
Compliance Issues	• awareness of compliance requirements, issues, etc	• 5.A.

SECTION 2: TO INVESTIGATE AND DESCRIBE ALTERNATIVE BUSINESS MODELS THAT ARE NOT COMMONPLACE.

Overview

Business models, current and innovative, must account for the realities of healthcare reform. Value will be driven by the requirement to align incentives of patients, providers, and payers. Patients want to get better healthcare at a reasonable cost, providers want to generate a reasonable profit, and payers are contractually required to pay for care, but want to do it at a predictable cost and timeframe. Providers will need to demonstrate value through effective health outcomes and efficient financial outcomes. Providers, payers, and patients will need to share the risks of the cost of care. Alternative business models must also take ethical issues into account. Table 2.0 provides a summary of ethical considerations raised by the task force during its analysis. The APTA code of ethics was used as a guide and is referred to therein.

Opportunities

The payment world is changing. We saw this in the 1980-90's with the creation of HMOs and capitated plans. Three things are unique and different about this payment reform.

- Current state of the global economy
- Legislative Changes - Affordable Care Act
- Data Reliance - Outcomes and Financial.

Providers will need data (specifically outcomes and financials) to effectively prove value to patients, payers and potential provider partners. Patients will expect better care. Payers will request that providers prove value. Providers with data will be prepared to offer "More for More Volume" and request better reimbursement than those without compelling data. Multiple payment options will become popular.

As we move toward achievement of the Triple Aim of healthcare reform (Improve the health of society, improve patient care and reduce costs) we require mechanisms for increasing value:

- Enhance preventive services
- Primary care / entry point for acute musculoskeletal disorders
- Identifying and managing or referring chronic disease
- Providing Increased Access
- Outcomes tracking data
- Use of care extenders
- Developing treatment technologies which reduce cost

Partnership opportunities will help providers create a model in which they can increase value or decrease cost. Those who successfully partner will have the opportunity to market this solution. Two types of partners typically exist:

1. Horizontal: group of PTs (professional designation integration)
2. Vertical: from referral to referral - typically in one of three areas
    a. Physicians
    b. Hospitals
    c. Insurance/Payers

In addition, a Hybrid model will likely exist. Hybrids will consist of providers functioning with partners to provide a new service (not clinical). Or hybrids could be both Horizontal and Vertical partnerships together. The possibilities are unique to geography, demographics, organization structure, and myriad other variables.

Challenge

One of the most important decisions in the future of the Private Practice Section member will be partnership opportunities. Historically the stance of APTA and PPS, inclusive of both advocacy, and policy has been critical of partnerships in revenue/profit sharing relationships. However the future of healthcare appears to encourage these relationships. Providers who are able to partner to create better value will be rewarded in the world of payment reform. Pressure exists to become a part of a larger system.

Table 2.0 - Drivers associated with success in future state PT ownership models and associated ethical considerations.

Drivers	Themes	Ethical Consideration(s)
Affordable Care Act (keeping up), Payment reform	Grouping of professionals (ACO's, "run in packs"),	Principle #3. PTs shall be accountable for making sound professional judgments. 3.A. PTs shall demonstrate independent and objective professional judgment in the patient's/client's best interest in all practice settings. 3.C. PTs shall make judgments within their scope of practice and level of expertise and shall communicate with, collaborate with, or refer to peers or other health care professionals when necessary. 3.D. PTs shall not engage in conflicts of interest that interfere with professional judgment. 5.A. PTs shall comply with applicable local, state, and federal laws and regulations. Principle #7. PTs shall promote organizational behaviors and business practices that benefit patients/clients and society. 7.A. PTs shall promote practice environments that support autonomous and accountable professional judgments. 7.B. PTs shall seek remuneration as is deserved and reasonable for PT services. 7.C. PTs shall not accept gifts or other considerations that influence or give an appearance of influencing their professional judgment. 7.D. PTs shall fully disclose any financial interest they have in products or services that they recommend to patient/clients. 7.F. PTs shall refrain from employment arrangements, or other arrangement, that prevent PTs from fulfilling professional obligations to patients/clients. 4.C. PTs shall discourage misconduct by healthcare professionals and report illegal or unethical acts to the relevant authority, when appropriate.

New patients entering system (uninsured AND baby boom)	Many entering at the lower end of the payment ranges IF you can figure out how to work with them.	Principle #8. PTs shall participate in efforts to meet the health needs of people locally, nationally or globally.
Risk-shifting to provider (episodic care)	Risk-pool assignment, case-rate: access goes to those willing to share risk. Must have efficient and effective treatments to survive.	Principle #3. 3.A. 3.D. Principle #7. 7.A. 7.B. 7.C. 7.D. 7.F. 4.C. 5.A.
Primary Care shortage	Why not PT? Big void for musculoskeletal provider, going to get bigger, needs to be filled.	Principle #8
Chronic Disease	75% current health care spend, productivity, employers are paying close attention, PTs are good educators and have a role in motivation already,	Principle #8
Population Health	Community and public health	Principle #8
PT has easy access points	Technology including telemed? As well as physical space?	

SECTION 3 – TO PROVIDE RECOMMENDATIONS TO THE PPS BOARD OF DIRECTORS FOR DISCUSSION ON ADVANCING AND EDUCATIONG MEMBERS ON BUSINESS MODELS.

Considerations

Two overriding considerations will shape any healthcare business venture that involves professionals of different specialties coming together or healthcare entities creating joint ventures or joint ownership of healthcare services. These are professional corporate practice and payer-provider alignment of incentives.

State law and regulation govern corporate practice of healthcare professionals. How the various health professions can form businesses and the extent to which they can share ownership and/or employ one another varies on a state-by-state basis. Two fundamental questions must always be considered in such arrangements. First, will one professional be compensated for the passive referral to another healthcare professional in the company? Second, does the relationship avoid the potential conflicts of interest inherent in one profession employing the other healthcare profession?

Healthcare reform efforts have spawned a number of types of entities that have been granted "license" to ignore these two basic questions for the expediency of meeting the needs of the uninsured and underinsured populations in the U.S. While short-term societal needs may seem to justify this, the long-term consequences for the costs of healthcare are dire, as history has shown us. Careful consideration of business structure and state law, especially in an evolving legislative climate, will be essential in developing new delivery models that involve multiple professions in ownership.

Alignment of incentives for business owners and those persons or entities paying for services are essential to achieving outcomes that meet both the needs of patients and consumers as well as those providing the care. The uncoupling of the link of those receiving care not bearing the majority of the cost of that care has resulted in runaway healthcare expectations and costs that government and the commercial payer community have tried to curtail by cutting payments to providers.

Outpatient rehabilitation services have typically been paid for using permutations of fee for services. The more services delivered and the more times delivered, the higher the payment for the patient's care, driving costs up without any guarantee of better outcomes. In many, perhaps most cases, incentives drive behavior making this payment system unsustainable from a cost perspective. Add in the reality that the person receiving the treatment is often paying only a portion of the fee, and you have a system that is ripe for billing and payment abuse. Ideally, one would want the healthcare provider to share some risk with the payer ultimately incentivizing efficient and effective care (quality & outcomes) rather than volume.

Any future healthcare delivery business needs to be able to demonstrate the value of its services through data that clearly shows the quality (via meaningful outcomes and metrics) of the care provided. The software used and the data collected will be essential to the success of new or novel business arrangements to deliver healthcare in that system integration must be easy across providers and platforms.

Recommendations to the Board

Recommendation: Establish a permanent section work group such as a Business Model Committee or Innovation "Think Tank" to:

- Survey, review, benchmark, engage and/or otherwise collaborate with other professions undergoing similar evolutions.

- Collect information about emerging business models and the relevance of existing models in use in current practice.

- Foster innovation, serve as a development incubator, run pilot programs and allow for early stage development of effective business models. Study and usher in new ideas from small or fragmented pilots through testing and ultimately to a stage that allows replicable and/or scalable versions of viable innovations.

- Serve as a clearinghouse of ideas related to new practice models by monitoring our membership and the environment for innovation.

- Collaborate with other PPS committees, such as Education, to develop and disseminate resources (manuals, webinars, etc.) related to innovative business models.

Support Statement: The taskforce believes that there may be a number of models in use that incorporate the critical themes articulated in this report (collaboration, data-driven reductions in practice variation, etc), however these models may not be widely understood by the PPS membership at large. We believe that a thorough and on-going review of such models designed to study, understand and articulate their reasons for success, as well as the views of the entrepreneurs driving their success, would be of significant value to the membership at large. We also believe that understanding cases where new models were attempted but were not successful may be of value to demonstrate critical gaps to those considering similar models. By placing emphasis and rigor on understanding the constant evolution of successful physical therapy business, the Section can position itself as thought-leader in the area of practice models, something dynamic and lasting, rather than something static. A standing work group of member experts would be the most effective way to drive innovative content to members.

Recommendation: Craft a position statement related to acceptable business models for physical therapists.

Support Statement: Regular resources should be allocated in support of ongoing dialogue related to emerging and existing business models. Special consideration should be given to the creation of an environment that encourages safe and candid discussion of models, whether currently under experimentation or not, that push the boundaries of the current state of physical therapy business, but also meet the ethical standards of the APTA. Consideration should be given to innovative and collaborative models where physical therapists have equity ownership but whose form does not look like the traditional business models. Models that push the boundaries of our collective thought and traditions are likely to act as a disruptive force and may well provide some ethical and association-level policy angst while carrying with them a real risk of alienating some members; at the same time, such disruption provides the opportunity to expand membership into new frontiers and we believe better positions the section, association and moreover the profession for growth. Thus, this would need to be a collaborative process with membership as well as an informative process with both Association (APTA) and Section (PPS) leadership, as we are likely to push the borders of our current policies, positions, traditions and customs. It is appropriate for the Section to take this kind of leadership opportunity to assure the relevance of physical therapist owned businesses for the future.

What we are recommending is that the section be more inclusive of innovative models and the move toward collaboration in health care which is currently underway. Strong leadership by the PPS board on this front ensures an environment that is safe for open discussion. A position statement would be the foundation on which a shift of this kind can be built.

CONCLUSION

With every change exists opportunity. Those who are prepared to leverage skills and systems to deliver value will be positioned to capitalize when change occurs. This is not solely the case in healthcare; rather it is the case in business at large, healthcare included. The current and pending changes in the American healthcare environment appear to favor those who are prepared to leverage systems associated with data, outcomes and cost efficiency without losing sight of end-user experience and innovation. In addition, a trend toward consolidation and efficiency of scale appears to be strong and may well force collaboration of previously independent provider groups. Physical Therapists may have a potential advantage in this new marketplace at the technical level as the ability to strongly impact the burden of disease at a relatively low cost is apparent. However, despite technical advantages real or apparent, without a business model that can allow for effective delivery of skills in a manner consistent with an equitable balance between value delivered and payment recouped, any advantage is short lived at best. Times of great change require the creativity to dream, the courage to act and the safety to make and learn from mistakes; entrepreneurialism at its core. This taskforce believes that with a willingness to invest in an environment and the resources required to spur entrepreneurialism in physical therapy the Private Practice section can effectively lead the transition to new models of care.

The taskforce welcomes comments and dialogue from the board, thank you for this opportunity to serve the membership.

Appendix
[INSERT APTA CODE OF ETHICS HERE PLEASE]

Business Model Task Force

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Appendix B: PPS and HPA Survey Results

PPS 2014 BMBTF Survey

Part A. Professional and Practice Characteristics

	Paper	Electonic	Total	Percentage
1. Which of the following best characterizes your Practice?				
a. Sole owner and Physical Therapist staff of less than five	43	71	114	31.93%
b. Sole owner and Physical Therapist staff of greater than five	50	47	97	27.17%
c. Co-owner and Physical Therapist staff of less than five	22	13	35	9.80%
d. Co – owner and Physical Therapist staff of greater than five	21	74	95	26.61%
e. Non-owner of practice that I work in	0	16	16	4.48%
total answers			357	
2. Which of the following best characterizes your role in your Private Practice environment?				
a. Primarily Practice administration and 10% or less patient care	42	40	82	19.34%
b. Practice Administration and at least 50% patient care	96	100	196	46.23%
c. Primarily full time patient care and less than 10% contribution to Practice Administration	65	81	146	34.43%
total answers			424	
3. Which scenario best describes the Practice you are engaged with, whether or not you are an owner or a non-owner of the Practice?				
a. One clinic	71	113	184	42.01%
b. Multiple clinics (1 - 5) distributed within your local community/metropolitan region	86	67	153	34.93%
c. Multiple clinics (1 - 5) distributed within and outside of your local community/metropolitan region, for example, statewide	16	11	27	6.16%
d. Multiple clinics (greater than 5) distributed either within your local community/metropolitan region or outside your metropolitan region	45	29	74	16.89%
total answers			438	
4. Which of the following best characterizes how the Physical Therapists are remunerated for their work in the Practice you are engaged in?				
a. Salary and benefits model	86	99	185	42.92%

b. Hourly wage and benefits model	33	48	81	18.79%
c. Base salary and some model of productivity	82	55	137	31.79%
d. Productivity alone	12	16	28	6.50%
total answers			431	
5. In addition to remunerations from reimbursement for direct patient care (any form, including self-pay), do Physical Therapists have the opportunity to augment their Practice income through ancillary services or any other revenue stream in your practice?				
a. Yes	85	82	167	39.29%
b. No	120	138	258	60.71%
total answers			425	

Part B. Opinions on Practice Models.

Your individual and candid responses, without the constraints of state practice acts, corporate law, or the profession's policies and positions are requested for this section.

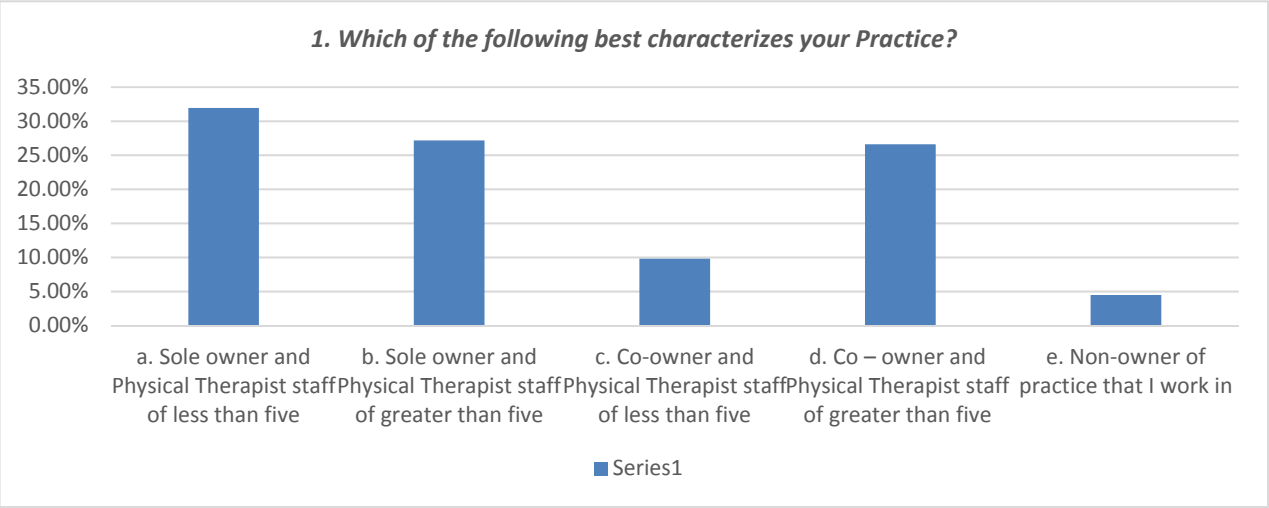
1. In the current and predicted future health care system, what would you consider to be the ideal business partnership for Physical Therapists in private practice?				
a. Sole ownership by physical therapists	138	158	296	73.27%
b. Co-ownership by physical therapists and any referring entity	12	24	36	8.91%
c. Co-ownership by physical therapists and any non-referring entity	12	19	31	7.67%
d. Neither a, b, or c.	24	4	28	6.93%
e. Other	0	13	13	3.22%
total answers			404	
2. In the current and predicted future health care system, what would you predict will be the most economically successful business partnership for Physical Therapists in private practice?				
a. Sole ownership by physical therapists	70	75	145	37.08%
b. Co-ownership by physical therapists and any referring entity	53	90	143	36.57%
c. Co-ownership by physical therapists and any non-referring entity	32	30	62	15.86%
d. Neither a, b, or c.	19	5	24	6.14%

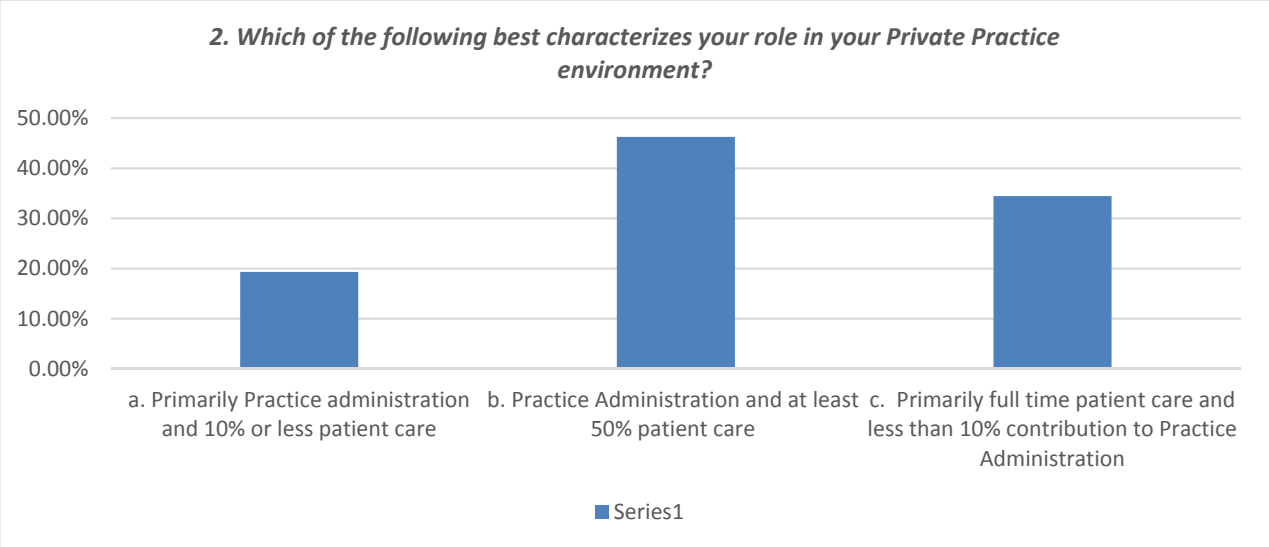
e. Other	0	17	17	4.35%
total answers			391	
3. In the current and predicted future health care system, what would you predict will be the least economically sustainable business partnership for physical therapists in private practice?				
a. Sole ownership by physical therapists	67	99	166	42.67%
b. Co-ownership by physical therapists and any referring entity	46	32	78	20.05%
c. Co-ownership by physical therapists and any non-referring entity	45	59	104	26.74%
d. Neither a, b, or c.	14	16	30	7.71%
e. Other	0	11	11	2.83%
total answers			389	
4. What do you perceive as the greatest business threat to physical therapist practices that are solely owned by physical therapists in your community?				
a. Physician owned physical therapy services	68	77	145	35.45%
b. Corporate owned physical therapy services	27	37	64	15.65%
c. Hospital owned physical therapy services	93	88	181	44.25%
d. Competing physical therapy practices	5	14	19	4.65%
total answers			409	
5. What do you perceive as the greatest business threat to physical therapist practices that are solely owned by physical therapists on a national scale?				
a. Physician owned physical therapy services	62	74	136	33.09%
b. Corporate owned physical therapy services	74	74	148	37.00%
c. Hospital owned physical therapy services	56	66	122	30.50%
d. Competing physical therapy practices	2	3	5	1.22%
total answers			411	
6. In regards to your particular physical therapy practice in your community, is your Practice positioned for Population Health directives in your geographic area?				
a. Very strongly positioned and actively engaged	26	27	53	13.45%

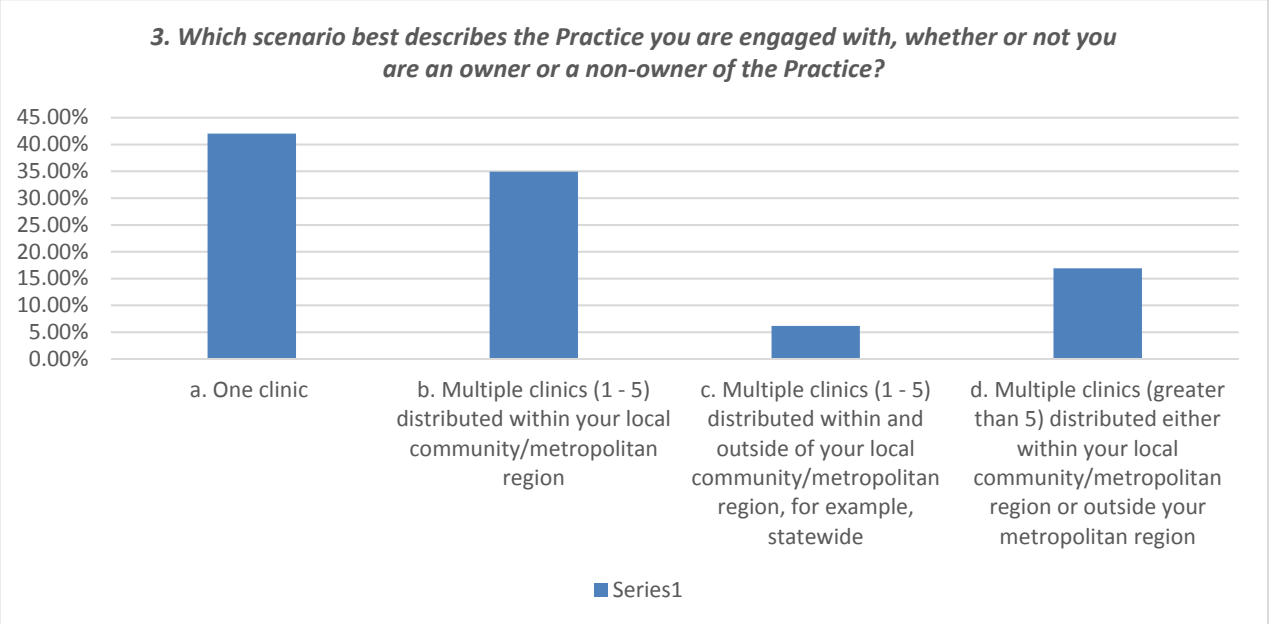
b. Somewhat positioned and primarily at the conversation stage	93	94	187	47.46%
c. Not positioned at all and concerned	48	59	107	27.16%
d. Not positioned at all and not concerned	13	34	47	11.93%
total answers			394	
7. While recognizing that there will always be a place for small physical therapy practices, do you think the majority of the Private Practice enterprise on a national basis will?				
a. Remain mostly as many individual practices in communities	55	45	100	24.81%
b. Consolidate to form much larger entities within the communities they exist	74	60	134	33.25%
c. Consolidate not only with each other, but also with potential referral sources and/or patient directing entities	55	114	169	41.94%
total answers			403	
8. Assuming the need to address the profit motive of a hospital, do you think that physical therapy service lines, managed, administered, and staffed by physical therapists from the private practice sector could be constructed to replace the current model hospital based physical therapy departments?				
a. Yes	161	181	342	83.62%
b. No	27	40	67	16.38%
total answers			409	
9. Assuming the need to address profit motive of a physician group, do you think that physical therapy service lines, managed, administered, and staffed by physical therapists from the private practice sector could be constructed to replace the current model physician owned physical therapy departments?				
a. Yes	57	184	241	77.24%
b. No	33	38	71	22.76%
total answers			312	
10. Based upon the health care economics of your region, would you consider your Practice?				
a. Well positioned and on the verge of growing	93	86	179	43.98%
b. Moderately positioned, not in a growth state, and low level concern	29	53	82	20.15%

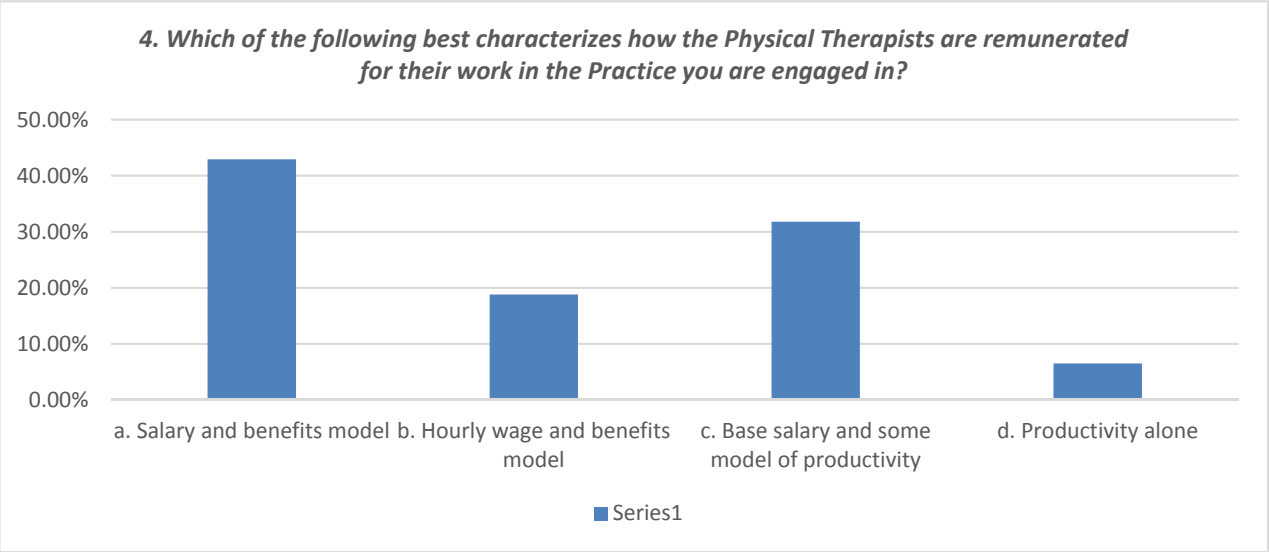
c. Moderately positioned, not in a growth state, and a high level of concern	56	63	119	29.24%
d. Concern is so high that exploring either contraction or an exit strategy	8	19	27	6.63%
total answers			407	

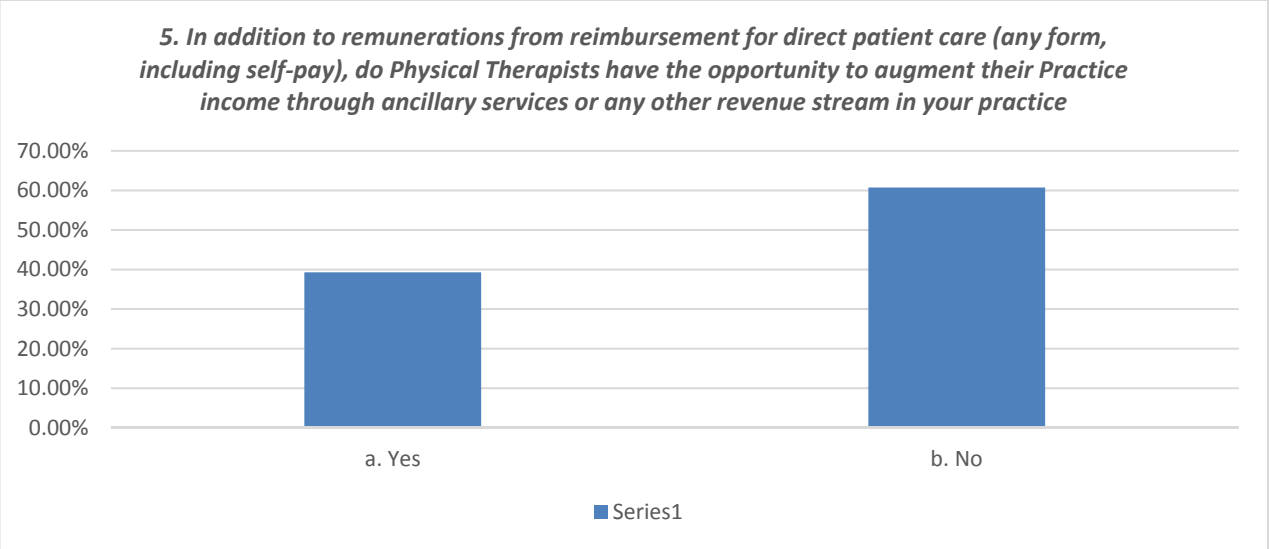
Part A.


1. Which of the following best characterizes your Practice?
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
a. Sole owner and Physical Therapist staff of less than five
b. Sole owner and Physical Therapist staff of greater than five
c. Co-owner and Physical Therapist staff of less than five
d. Co – owner and Physical Therapist staff of greater than five
e. Non-owner of practice that I work in
Series1

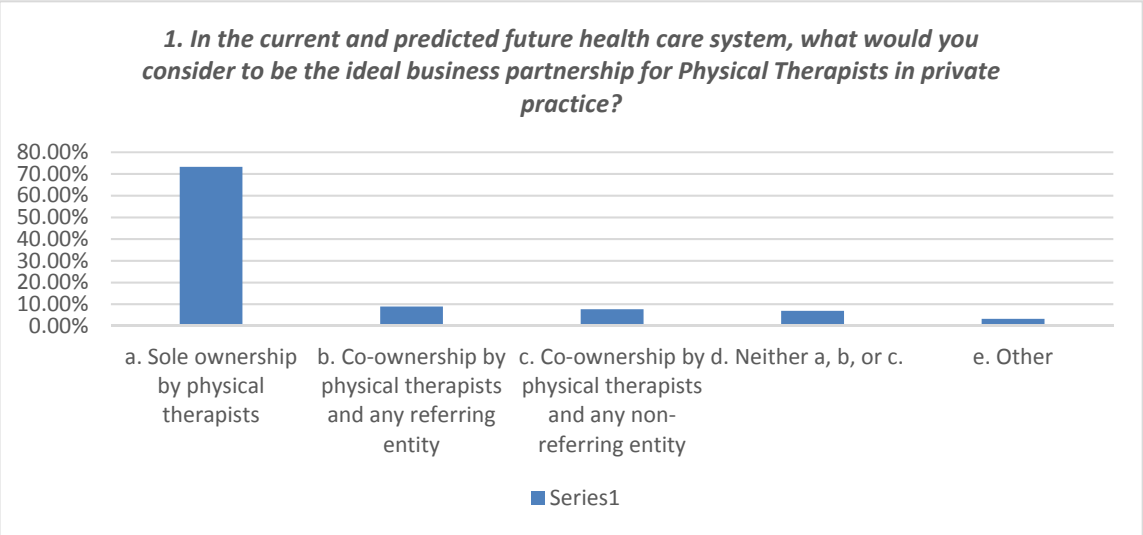

2. Which of the following best characterizes your role in your Private Practice environment?
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
a. Primarily Practice administration and 10% or less patient care
b. Practice Administration and at least 50% patient care
c. Primarily full time patient care and less than 10% contribution to Practice Administration
Series1

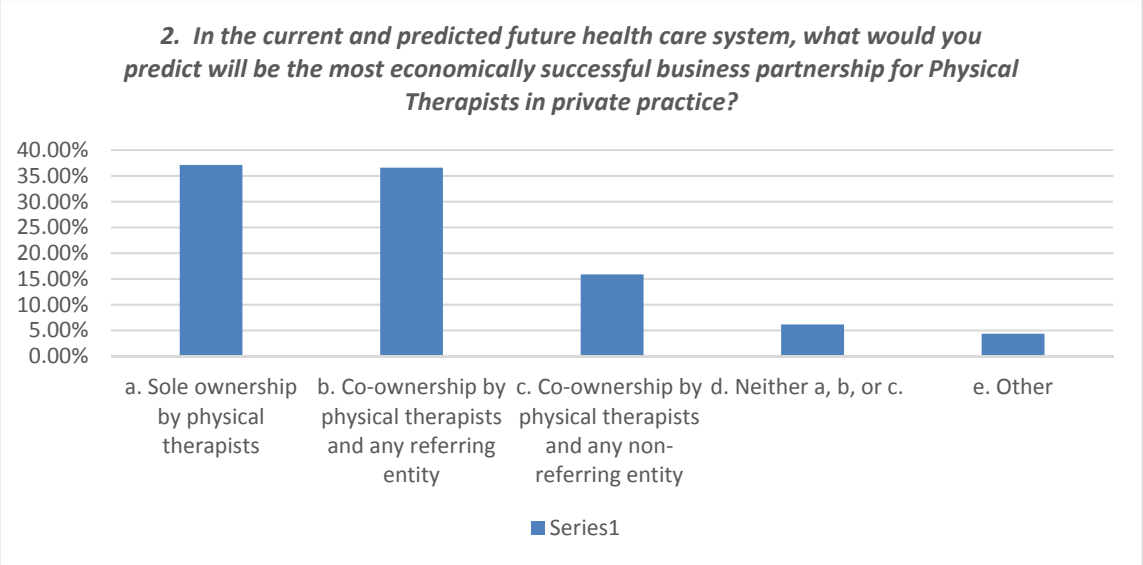

3. Which scenario best describes the Practice you are engaged with, whether or not you are an owner or a non-owner of the Practice?
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
a. One clinic
b. Multiple clinics (1 - 5) distributed within your local community/metropolitan region
c. Multiple clinics (1 - 5) distributed within and outside of your local community/metropolitan region, for example, statewide
d. Multiple clinics (greater than 5) distributed either within your local community/metropolitan region or outside your metropolitan region
Series1

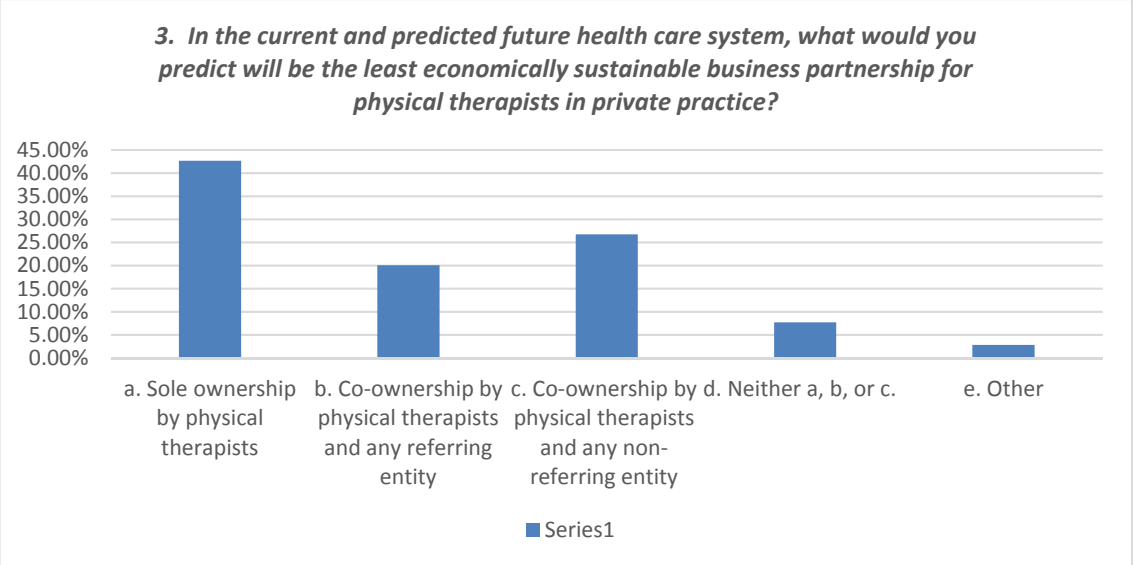

4. Which of the following best characterizes how the Physical Therapists are remunerated for their work in the Practice you are engaged in?
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
a. Salary and benefits model
b. Hourly wage and benefits model
c. Base salary and some model of productivity
d. Productivity alone
Series1


5. In addition to remunerations from reimbursement for direct patient care (any form, including self-pay), do Physical Therapists have the opportunity to augment their Practice income through ancillary services or any other revenue stream in your practice
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
a. Yes
b. No
Series1

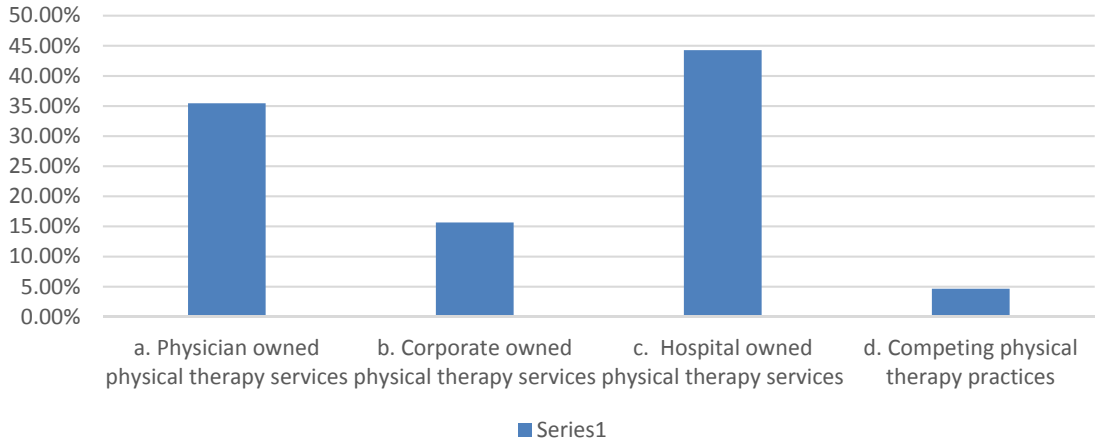
Part B


1. In the current and predicted future health care system, what would you consider to be the ideal business partnership for Physical Therapists in private practice?
80.00%
70.00%
60.00%
50.00%
40.00%
30.00%
20.00%
10.00%
0.00%
a. Sole ownership by physical therapists
b. Co-ownership by physical therapists and any referring entity
c. Co-ownership by physical therapists and any non-referring entity
d. Neither a, b, or c.
e. Other
Series1

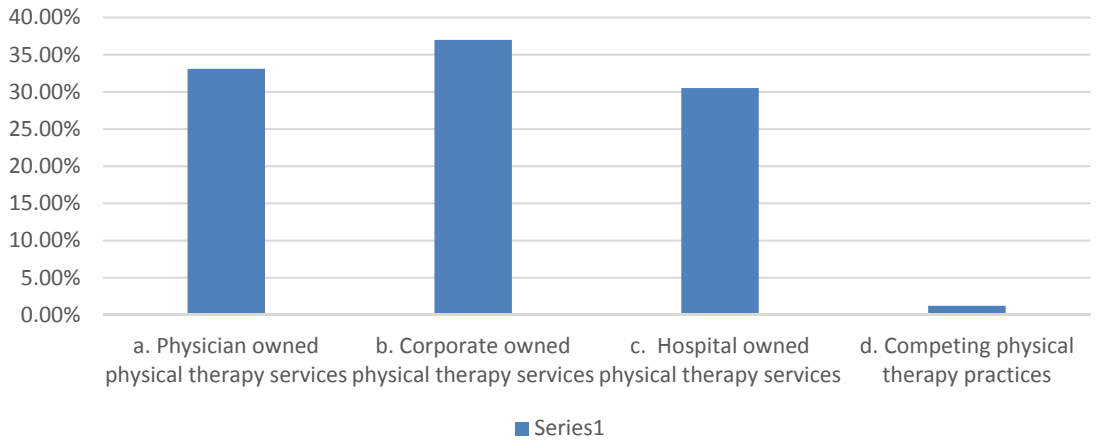

2. In the current and predicted future health care system, what would you predict will be the most economically successful business partnership for Physical Therapists in private practice?
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
a. Sole ownership by physical therapists
b. Co-ownership by physical therapists and any referring entity
c. Co-ownership by physical therapists and any non-referring entity
d. Neither a, b, or c.
e. Other
Series1


3. In the current and predicted future health care system, what would you predict will be the least economically sustainable business partnership for physical therapists in private practice?
45.00%
40.00%
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
a. Sole ownership by physical therapists
b. Co-ownership by physical therapists and any referring entity
c. Co-ownership by physical therapists and any non-referring entity
d. Neither a, b, or c.
e. Other
Series1

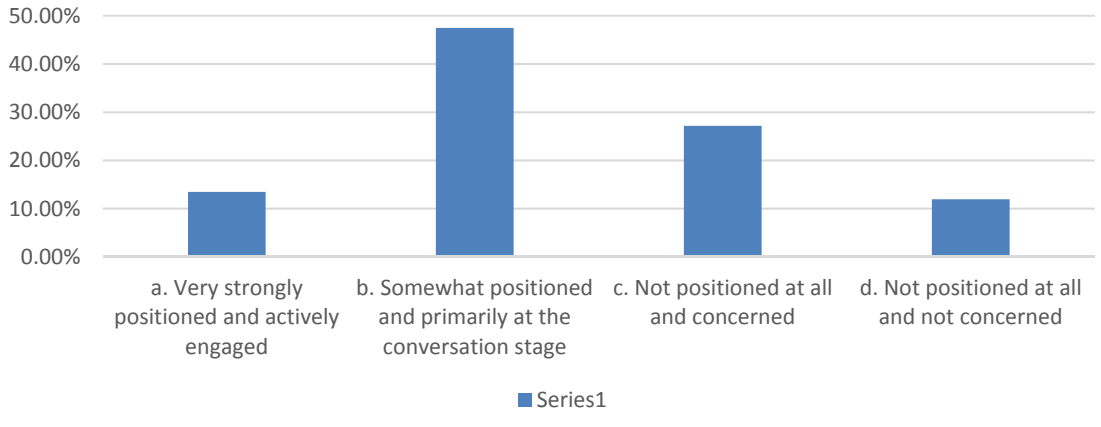
4. What do you perceive as the greatest business threat to physical therapist practices that are solely owned by physical therapists in your community?



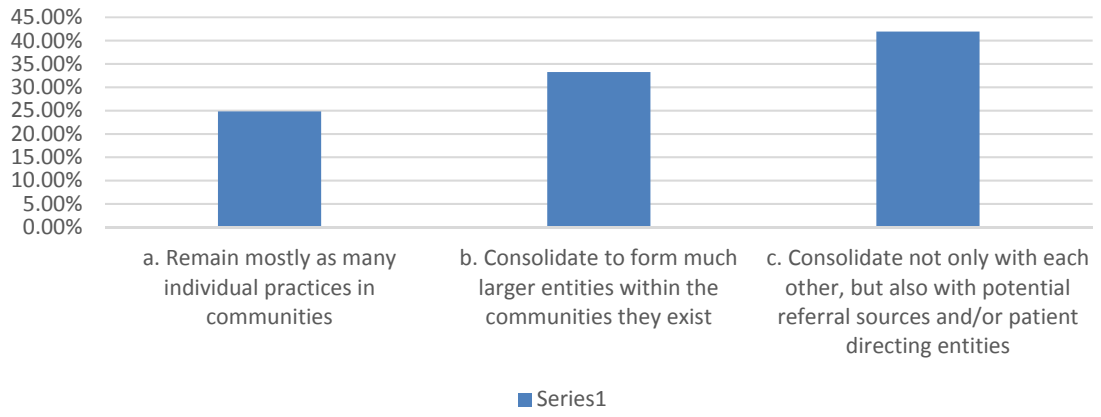
5. What do you perceive as the greatest business threat to physical therapist practices that are solely owned by physical therapists on a national scale?



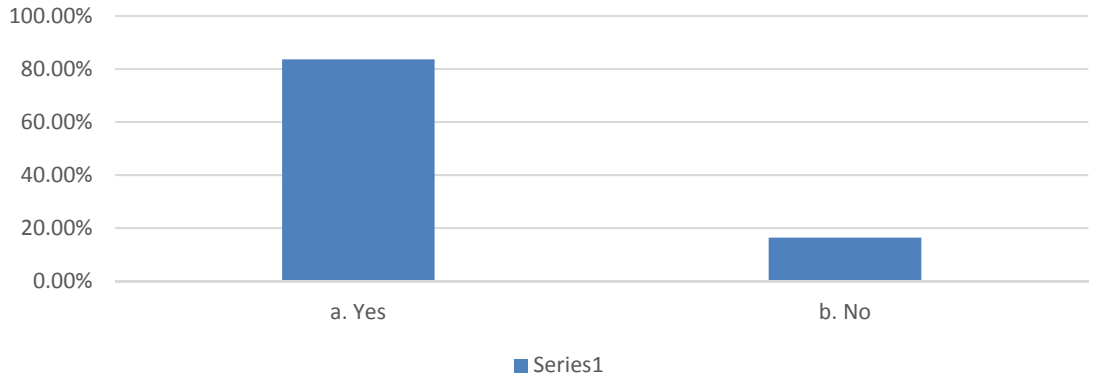
6. In regards to your particular physical therapy practice in your community, is your Practice positioned for Population Health directives in your geographic area?



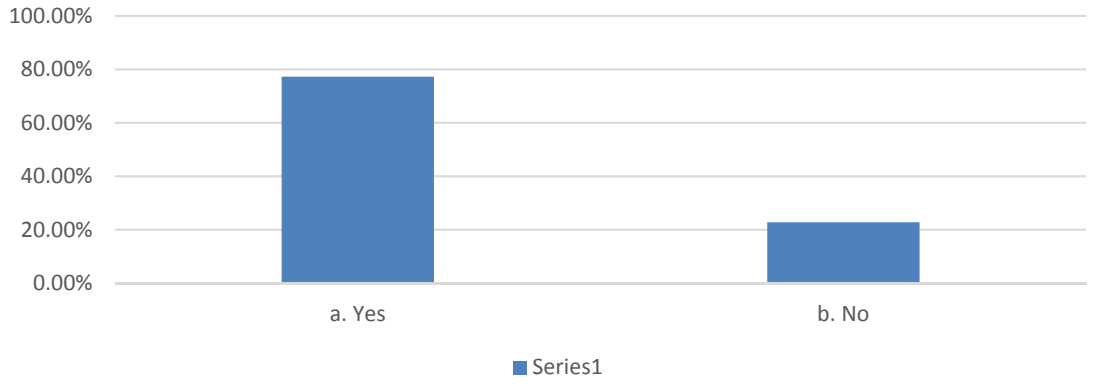
7. While recognizing that there will always be a place for small physical therapy practices, do you think the majority of the Private Practice enterprise on a national basis will?

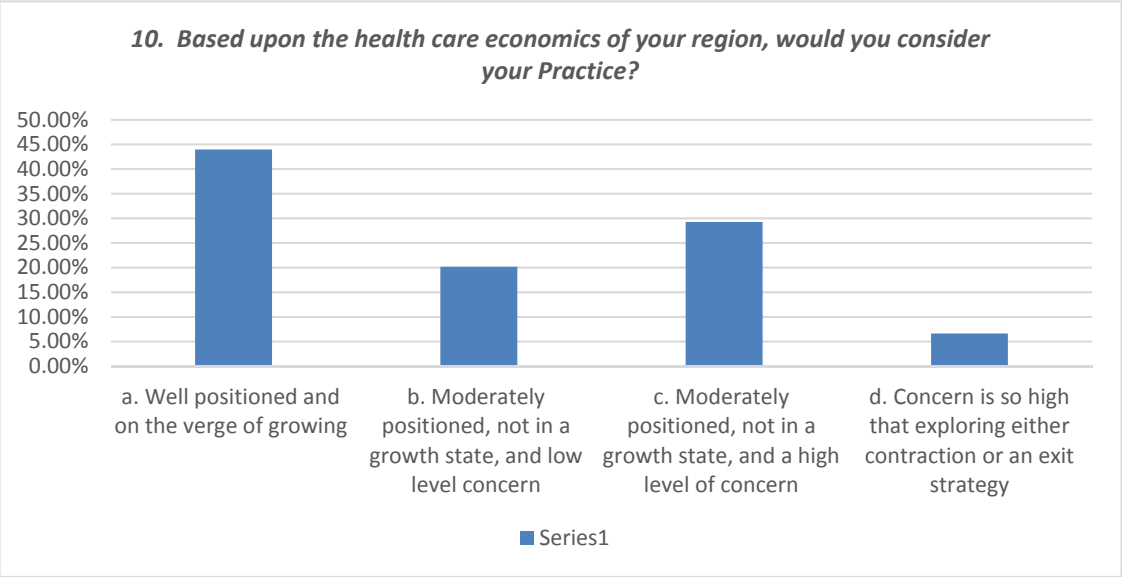


8. Assuming the need to address the profit motive of a hospital, do you think that physical therapy service lines, managed, administered, and staffed by physical therapists from the private practice sector could be constructed to replace the current model hospital based physical therapy departments?



9. Assuming the need to address profit motive of a physician group, do you think that physical therapy service lines, managed, administered, and staffed by physical therapists from the private practice sector could be constructed to replace the current model physician owned physical therapy departments?




10. Based upon the health care economics of your region, would you consider your Practice?
50.00%
45.00%
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30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
a. Well positioned and on the verge of growing
b. Moderately positioned, not in a growth state, and low level concern
c. Moderately positioned, not in a growth state, and a high level of concern
d. Concern is so high that exploring either contraction or an exit strategy
Series1

Part B. Opinions on Practice Models.

Your individual and candid responses, without the constraints of state practice acts, corporate law, or the profession's policies and positions are requested for this section.

1. In the current and predicted future health care system, what would you consider to be the ideal business partnership for Physical Therapists in private practice?

1. Co-Ownership by PTs only
2. PT Ownership in Network/Co-Op/Strategic Alliance Models
3. Co-Ownership with Non-PTs
4. PT Ownership among themselves
5. Sole ownership or Co-Ownership
6. Collaborative models with private practice networks, owned individually, MSO?
7. Ideally sole ownership by PT & higher reimbursement rate by insurance
8. Sole or co-ownership by PT and other health professionals
9. Individual owner need to decide
10. Any & All opportunities that present themselves
11. Sole ownership by PT with health club affiliates – cash based included
12. Ownerships of practice by PT/Non-Clinician for partnering with all facilities (Hospitals, Houses, Schools, Etc)
13. Trainers (athletic) & other specialists, counselors and nutritionist
14. Co-ownership/partnership with other care providers – DC, Osteo, Acupuncture, etc
15. PT's & Employees
16. All of the above if ownership is part of equation
17. Non-clinicians & MBA's, attorney's, business people/entrepreneurs
18. Co-owners – Partner model PT's only
19. PT – OT Partnership
20. Greater than 50% ownership by PT, OT, Speech
21. Co-ownership between PT and Accountant/Business person
22. Sole or co-ownership but that depends on the individual(s); PT owned
23. Autonomous practice with self-referral being more than 50% of base

<u>Electronic Comments:</u>

Most flexible options - all options on table
I prefer the co-owner model with other stakeholders, staff, marketing staff
co-ownership by PTs, including potential for spouse of PT owner to be a co-owner
a and c by community need tied to both profit and non-profit organizations
I think that all of the options above should be considered and applied.
all possible business need to be allowed
like all business many different type can work and fail
a, b
Sorry I can't commit. I think the ideal future scenario includes a, b, & c
Sole ownership with a group of PT's throughout the state working together.

2. In the current and predicted future health care system, what would you predict will be the most economically successful business partnership for Physical Therapists in private practice?

1. Co-Ownership by PTs only
2. Co-Ownership with Non-PTs
3. Co-Ownership
4. Sole or co-ownership by PT, OT, Speech forming alliances
5. Sole ownership by PT with health club affiliates – cash based included
6. POPT's & HOPT's will dominate in financial success utilizing unfair & monopolistic referral patterns
7. Trainers (athletic) & other specialists, counselors and nutritionist
8. Sole ownership by PT in a physician owned building
9. PT's & employees
10. Continuum of ownership models
11. Co-Ownership or ownership by Insurance companies
12. Every client is a partner
13. Investment groups reaping financial success of outpatient PTs
14. Cash pay services
15. Autonomous practice with self-referral being more than 50% of base

Electronic Comments:

co-owner of PT's
partner with larger PT group
large regional corporate owned practices
corporate
combination of all referral sources and contracting opportunities
unknown
Partnership & ownership are different things. Ass'n & contracts will be the future
Again, having multiple people associated will benefit all
Joint Ownership by PTs and Corporations, Private Equity Groups, and Hospitals

3. In the current and predicted future health care system, what would you predict will be the least economically sustainable business partnership for physical therapists in private practice?

1. Corporate
2. Sole or co-ownership by PT, OT, Speech forming alliances
3. Sharing space & overhead
4. Sole-ownership will struggle due to monopolistic referral patterns but will ultimately remain profitable
5. 1 location/smaller, PT owned practice – size matters
6. Non-ownership!
7. Domination by PE Firms, publically traded entities & NPO's

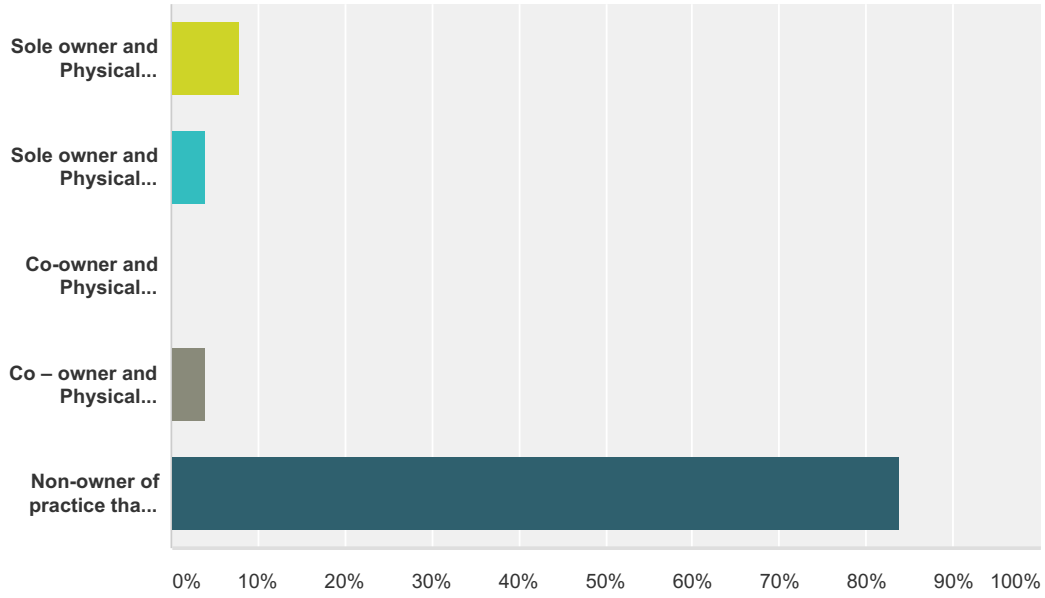
Electronic Comments:

No Partnership at all

unsure
single clinician/small insurance based practices
I don't know
POPTS
Ownership with most referral providers.
single clinic sole ownership models
anything that relies on health insurance for reimbursement
Completely dependent upon your setting, community size, competitors etc.

Q1 Which of the following best characterizes your practice?

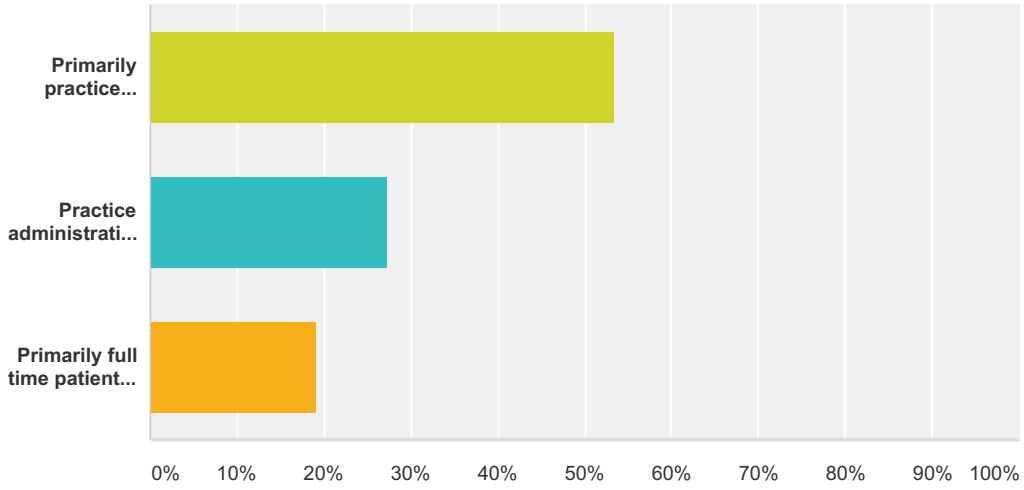
Answered: 75 Skipped: 0



Answer Choices	Responses	
Sole owner and Physical Therapist staff of less than five	**8.00%**	6
Sole owner and Physical Therapist staff of greater than five	**4.00%**	3
Co-owner and Physical Therapist staff of less than five	**0.00%**	0
Co – owner and Physical Therapist staff of greater than five	**4.00%**	3
Non-owner of practice that I work in	**84.00%**	63
Total		**75**

Q2 Which of the following best characterizes your role in your practice environment?

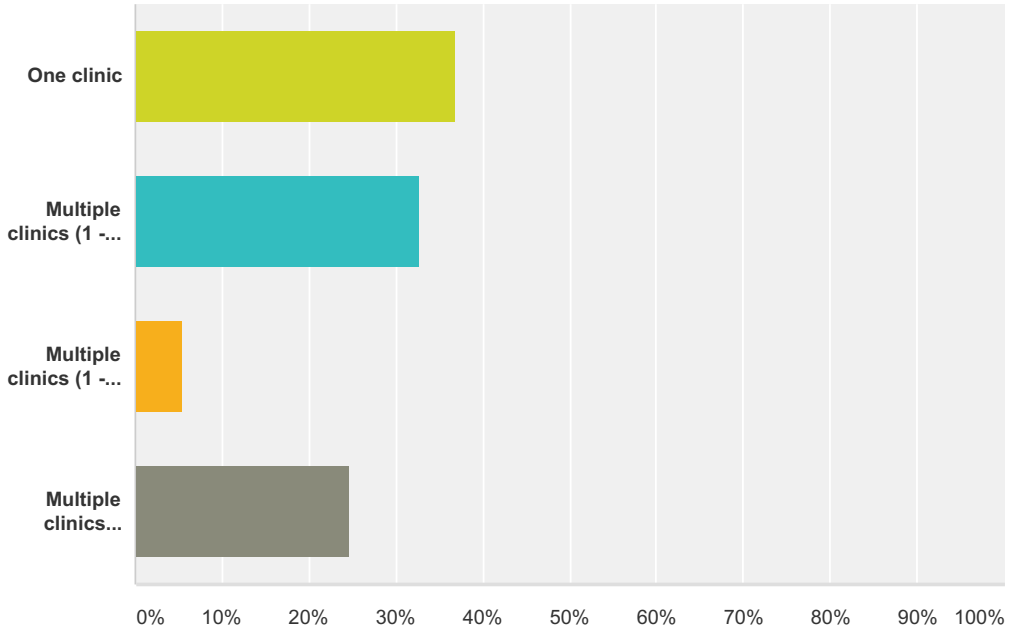
Answered: 73 Skipped: 2



Answer Choices	Responses	
Primarily practice administration and 10% or less patient care	**53.42%**	39
Practice administration and at least 50% patient care	**27.40%**	20
Primarily full time patient care and less than 10% contribution to practice administration	**19.18%**	14
Total		**73**

Q3 Which scenario best describes the Practice you are engaged with, whether or not you are an owner or a non-owner of the practice?

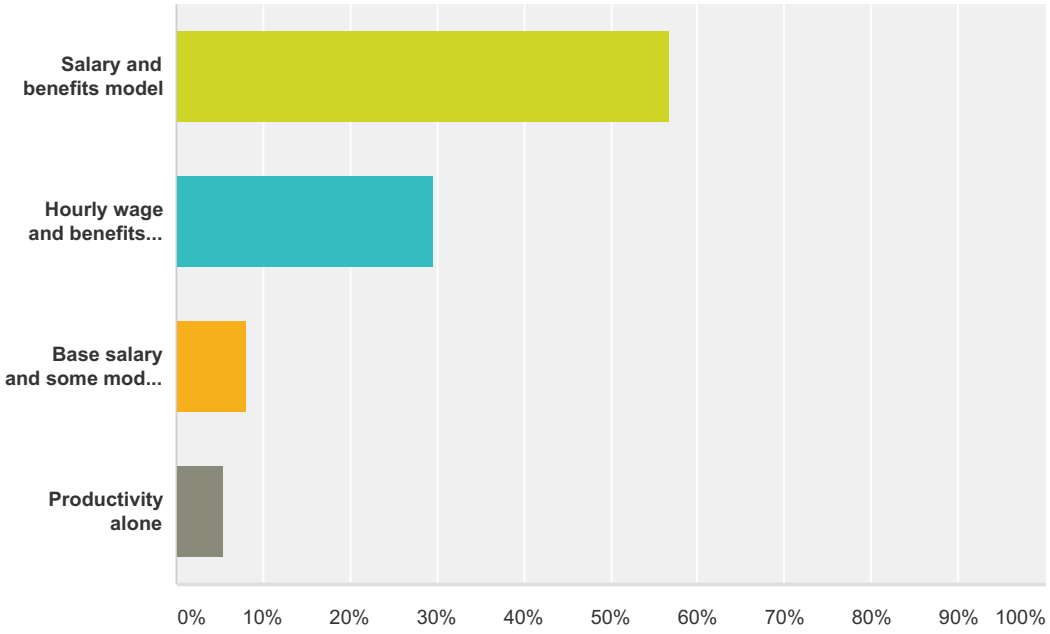
Answered: 73 Skipped: 2



Answer Choices	Responses	
One clinic	36.99%	27
Multiple clinics (1 - 5) distributed within your local community/metropolitan region	32.88%	24
Multiple clinics (1 - 5) distributed within and outside of your local community/metropolitan region, for example, statewide	5.48%	4
Multiple clinics (greater than 5) distributed either within your local community/metropolitan region or outside your metropolitan region	24.66%	18
Total		**73**

Q4 Which of the following best characterizes how the physical therapists are remunerated for their work in the practice you are engaged in?

Answered: 74 Skipped: 1

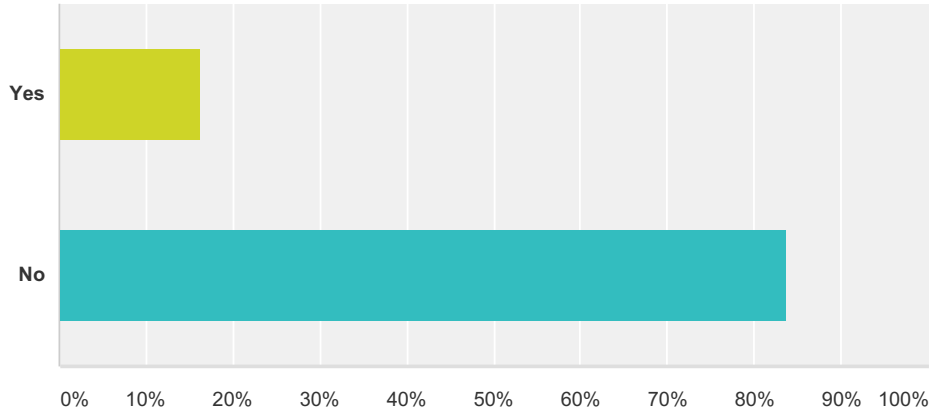


Answer Choices	Responses	
Salary and benefits model	**56.76%**	42
Hourly wage and benefits model	**29.73%**	22
Base salary and some model of productivity	**8.11%**	6
Productivity alone	**5.41%**	4
Total		**74**

PTS HIPA Business Model Board Task Force The Business Model Board Task Force requests 10 minutes of your time to complete this survey. All information is confidential. Survey participants are assured that no identification points are used.

Q5 In addition to remunerations from reimbursement for direct patient care (any form, including self-pay), do physical therapists have the opportunity to augment their Practice income through ancillary services or any other revenue stream in your practice?

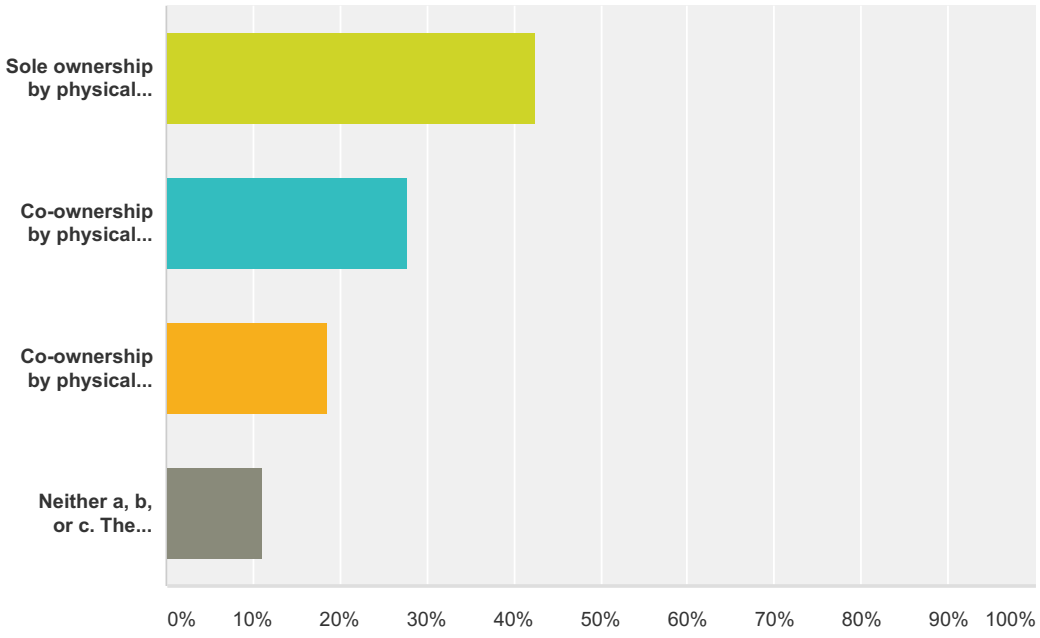
Answered: 74 Skipped: 1



Answer Choices	Responses	
Yes	**16.22%**	12
No	**83.78%**	62
Total		**74**

Q6 In the current and predicted future health care system, what would you consider to be the ideal business partnership for physical therapists in practice?

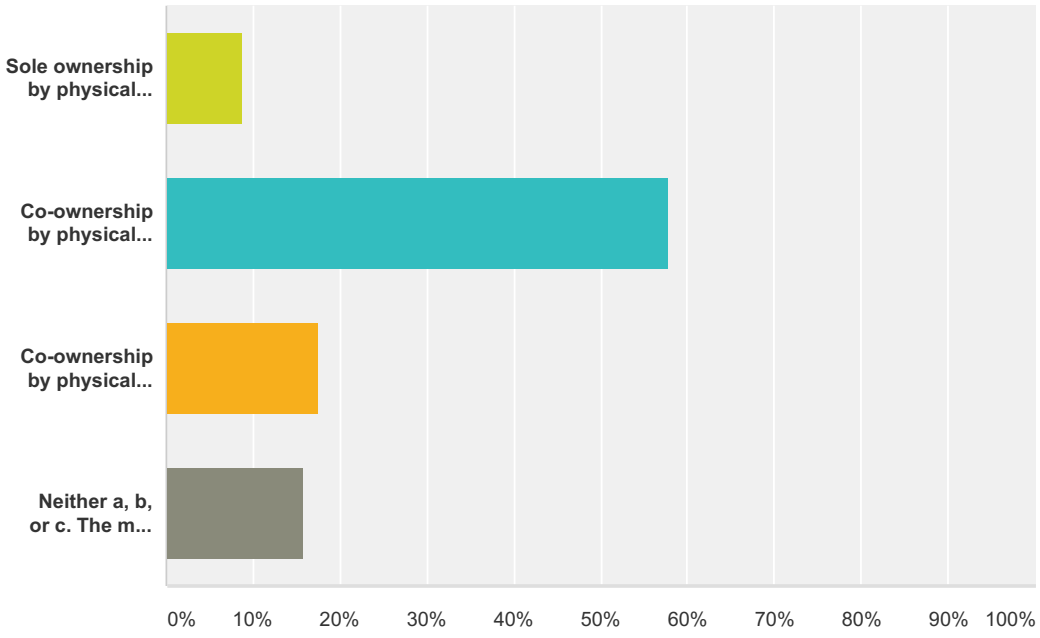
Answered: 54 Skipped: 21



Answer Choices	Responses
Sole ownership by physical therapists	**42.59%** 23
Co-ownership by physical therapists and any referring or patient directing entity, for example, physicians, hospitals, medical homes, etc.	**27.78%** 15
Co-ownership by physical therapists and any non-referring or non-patient directing entity (such entities being physicians, hospital, medical homes, etc.)	**18.52%** 10
Neither a, b, or c. The ideal business partnership for physical therapists in private practice would be (fill in below)	**11.11%** 6
Total	**54**

Q7 In the current and predicted future health care system, what would you predict will be the most economically successful business partnership for physical therapists in practice?

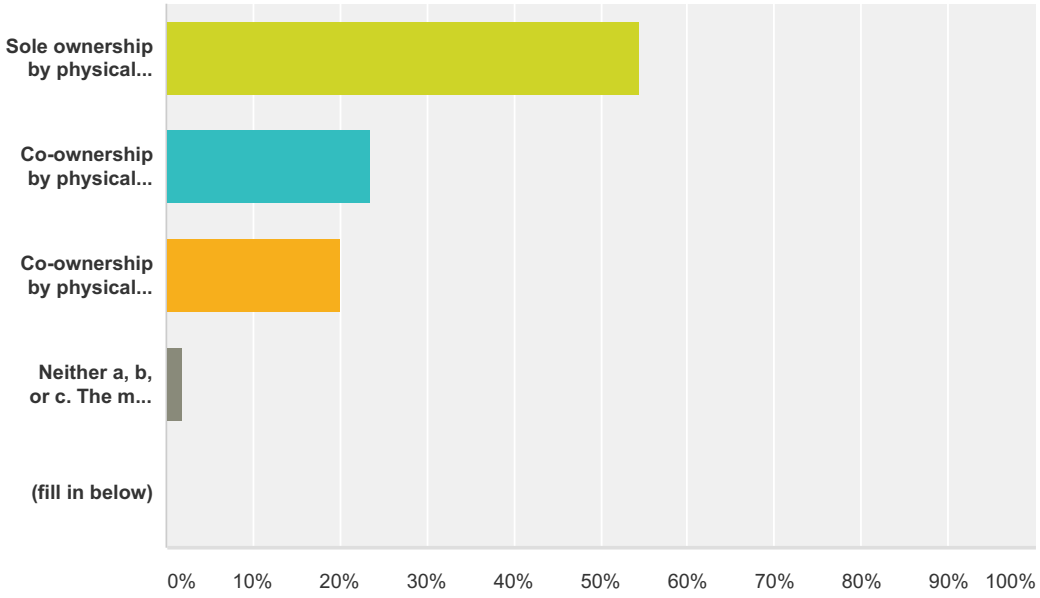
Answered: 57 Skipped: 18



Answer Choices	Responses
Sole ownership by physical therapists	8.77% 5
Co-ownership by physical therapists and any referring or patient directing entity, for example, physicians, hospitals, medical homes, etc.	57.89% 33
Co-ownership by physical therapists and any non-referring or non-patient directing entity (such entities being physicians, hospital, medical homes, etc.)	17.54% 10
Neither a, b, or c. The most economically successful business partnership for the future will be (fill in below)	15.79% 9
Total	**57**

Q8 In the current and predicted future health care system, what would you predict will be the least economically sustainable business partnership for physical therapists in practice?

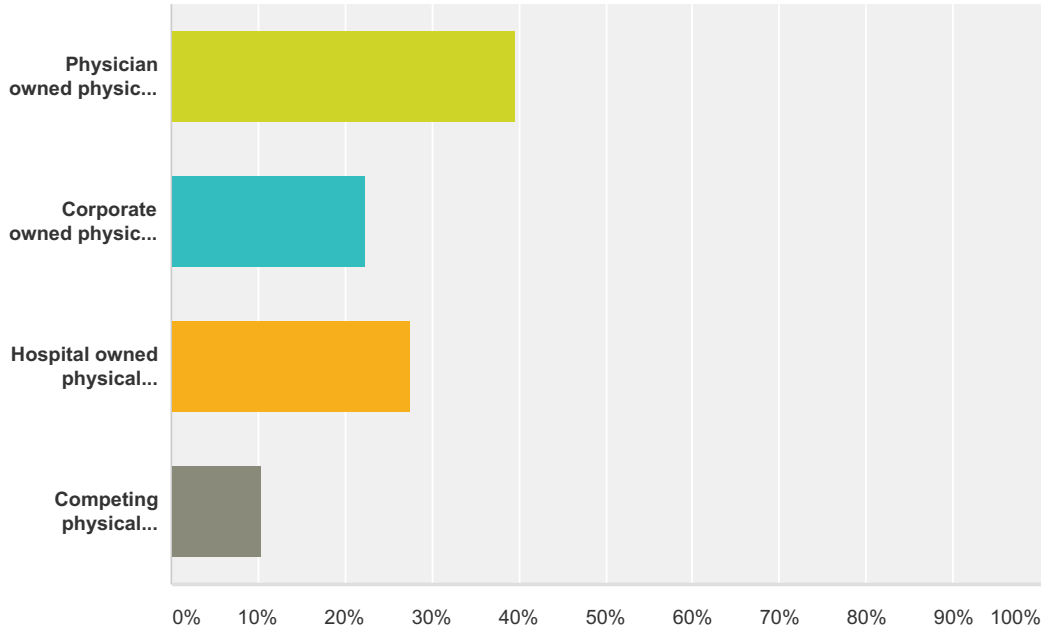
Answered: 55 Skipped: 20



Answer Choices	Responses
Sole ownership by physical therapists	**54.55%** 30
Co-ownership by physical therapists and any referring or patient directing entity, for example, physicians, hospitals, medical homes, etc.	**23.64%** 13
Co-ownership by physical therapists and any non-referring or non-patient directing entity (such entities being physicians, hospital, medical homes, etc.)	**20.00%** 11
Neither a, b, or c. The most economically successful business partnership for the future will be	**1.82%** 1
(fill in below)	**0.00%** 0
Total	**55**

Q9 What do you perceive as the greatest business threat to physical therapist practices that are solely owned by physical therapists in your community?

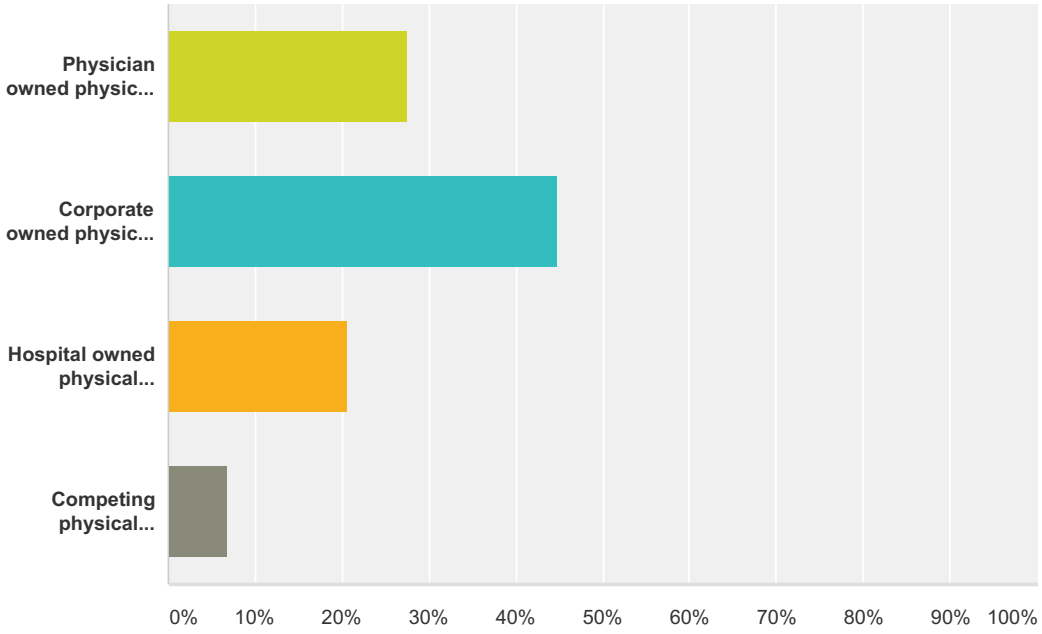
Answered: 58 Skipped: 17



Answer Choices	Responses	
Physician owned physical therapy services	**39.66%**	23
Corporate owned physical therapy services	**22.41%**	13
Hospital owned physical therapy services	**27.59%**	16
Competing physical therapy practices	**10.34%**	6
Total		**58**

Q10 What do you perceive as the greatest business threat to physical therapist practices that are solely owned by physical therapists on a national scale?

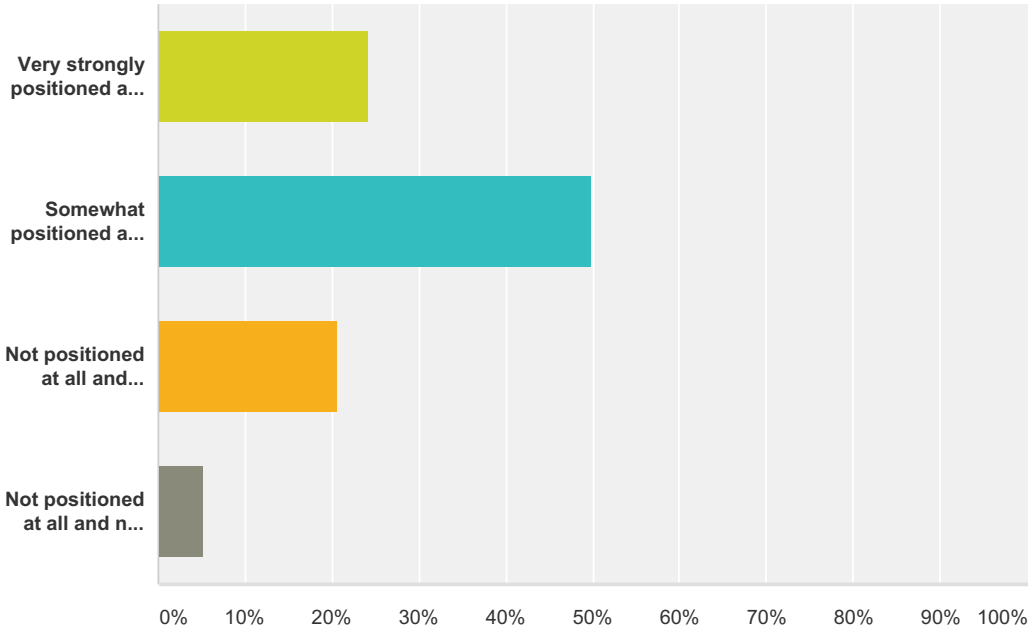
Answered: 58 Skipped: 17



Answer Choices	Responses	
Physician owned physical therapy services	**27.59%**	16
Corporate owned physical therapy services	**44.83%**	26
Hospital owned physical therapy services	**20.69%**	12
Competing physical therapy practices	**6.90%**	4
Total		**58**

Q11 In regards to your particular physical therapy practice in your community, is your practice positioned for Population Health directives in your geographic area?

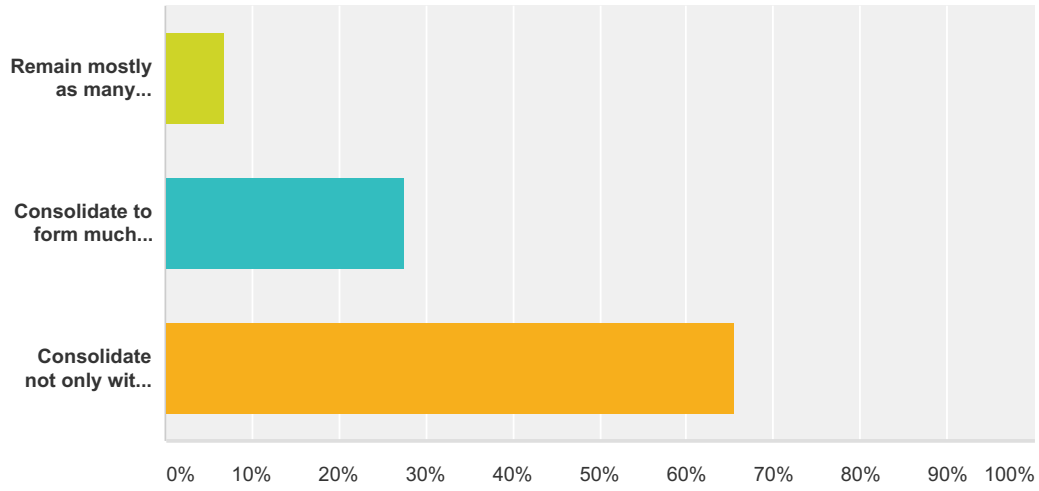
Answered: 58 Skipped: 17



Answer Choices	Responses	
Very strongly positioned and actively engaged	**24.14%**	14
Somewhat positioned and primarily at the conversation stage	**50.00%**	29
Not positioned at all and concerned	**20.69%**	12
Not positioned at all and not concerned	**5.17%**	3
Total		**58**

Q12 While recognizing that there will always be a place for small physical therapy practices, do you think the majority of the physical therapist practice enterprise on a national basis will?

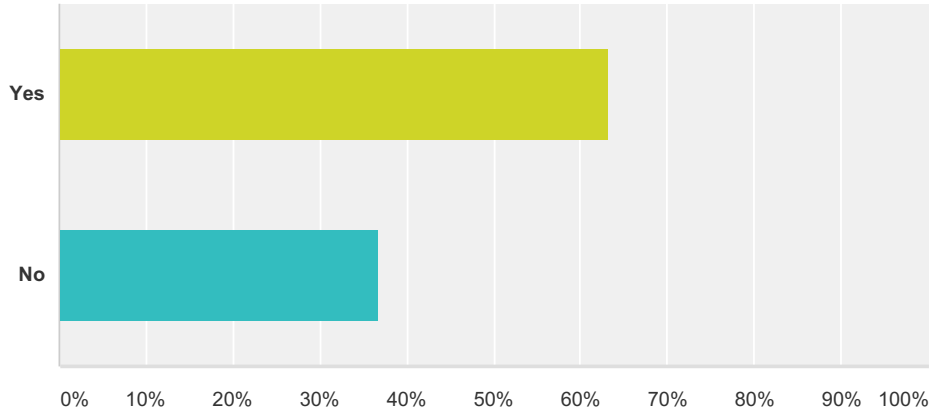
Answered: 58 Skipped: 17



Answer Choices	Responses	
Remain mostly as many individual practices in communities	6.90%	4
Consolidate to form much larger entities within the communities they exist	27.59%	16
Consolidate not only with each other, but also with potential referral sources and/or patient directing entities	65.52%	38
Total		58

Q13 Assuming the need to address the profit motive of a hospital, do you think that physical therapy service lines, managed, administered, and staffed by individual physical therapists could be constructed to replace the current model hospital based physical therapy departments?

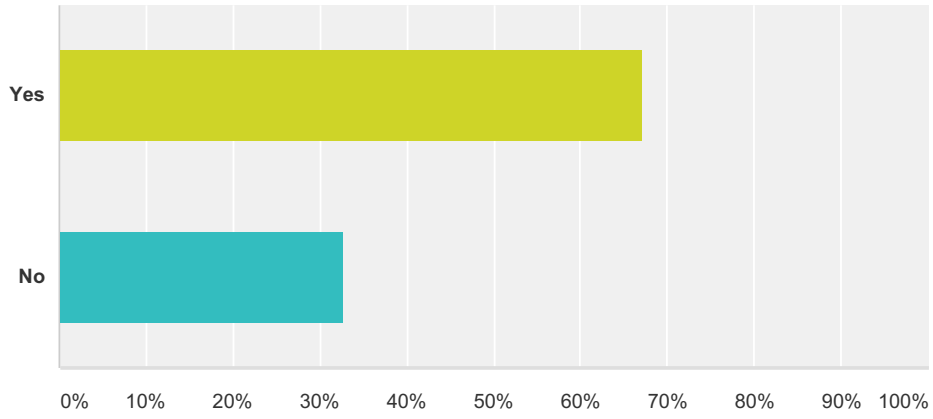
Answered: 57 Skipped: 18



Answer Choices	Responses	
Yes	**63.16%**	36
No	**36.84%**	21
Total		**57**

Q14 Assuming the need to address profit motive of a physician group, do you think that physical therapy service lines, managed, administered, and staffed by individual physical therapists could be constructed to replace the current model physician owned physical therapy departments?

Answered: 58 Skipped: 17

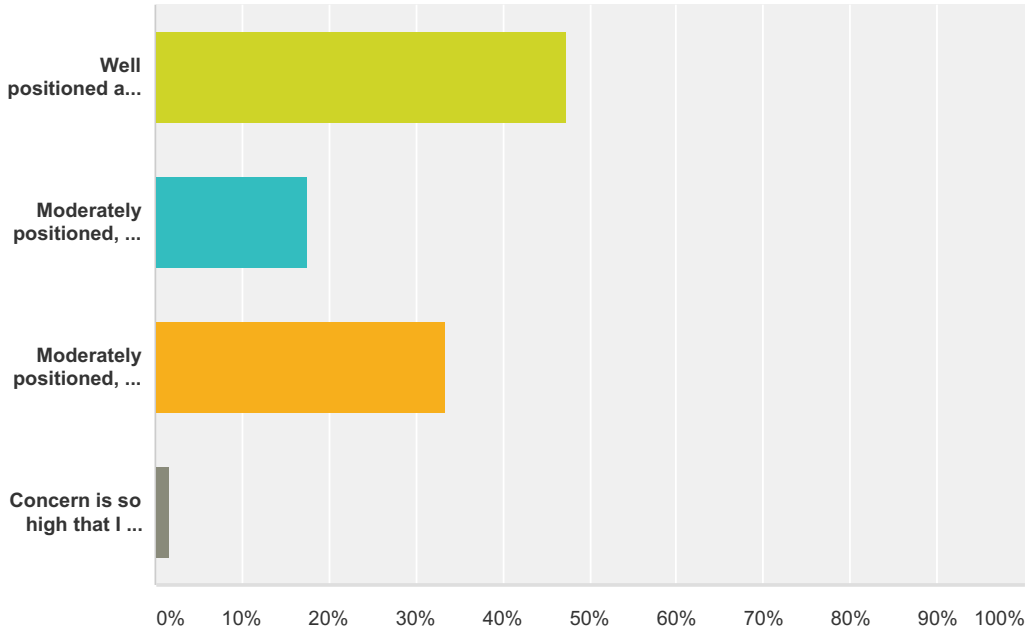


Answer Choices	Responses	
Yes	**67.24%**	39
No	**32.76%**	19
Total		**58**

your time to complete this survey. All information is confidential. Survey participants are assured that no identification points are used.

Q15 Based upon the health care economics of your region, would you consider your practice?

Answered: 57 Skipped: 18



Answer Choices	Responses	
Well positioned and on the verge of growing with the emerging health care changes in my community	**47.37%**	27
Moderately positioned, not in a growth state, and low level concern with the emerging health care changes in my community	**17.54%**	10
Moderately positioned, not in a growth state, and a high level of concern with the emerging health care changes in my community	**33.33%**	19
Concern is so high that I am, (or the practice I am engaged with) is exploring either contraction or an exit strategy	**1.75%**	1
Total		**57**