

Are You Charging What Workers' Compensation Allows?

By Dr. Ray Foxworth, DC, FICC

I was reviewing practice numbers with a chiropractor recently who was convinced workers' compensation patients just weren't profitable anymore.

His collections seemed lower than they should have been, and like many doctors, he immediately assumed reimbursements had been cut again.

But when we looked closer, we found something surprising.

The problem wasn't the workers' compensation carrier.

The problem was his fees.

Like many chiropractors, he had never taken the time to compare what he was charging to what his state's workers' compensation fee schedule actually allowed. For years, he had been billing significantly less than the maximum allowable reimbursement on many services.

In other words, he wasn't being underpaid.

He was undercharging.

And he's not alone.

Recently, we analyzed workers' compensation fee schedules and clinic charges across 49 states. What we found was eye-opening.

More than **43% of all clinic charges reviewed were below the amount allowed by the state's workers' compensation fee schedule**. Nearly half the time, doctors were charging less than what the state had already determined to be reasonable and customary for those services.

In this sample alone, chiropractors left more than **\$99,000** in allowable revenue uncollected. On average, every time a doctor undercharged for a service, they gave up more than **\$45** that they were legally entitled to bill.

Think about that for a moment.

How often do we talk about declining reimbursements while never checking whether our fees are aligned with the reimbursement schedules available to us?

But what surprised me most wasn't where doctors were undercharging.

It was what they were undercharging.

Many of us assume the biggest revenue opportunities are found in treatment codes. Yet our analysis found that the greatest financial losses were occurring during examinations and evaluations. Evaluation and Management (E&M) services were undercharged nearly **55% of the time**, substantially more often than chiropractic manipulative treatment codes.

Even more revealing, higher-level examination codes accounted for more than **83% of the total revenue lost** in the study.

The greatest source of undercharging wasn't the adjustment.

It was the doctor's expertise.

It was the history, examination, clinical decision-making, diagnosis, and treatment planning that form the foundation of quality patient care.

How often do we hear chiropractors say they want to be recognized as portal-of-entry providers? Yet many of us are charging less than the state-allowed amount for the very services that demonstrate our diagnostic and clinical value.

Many chiropractors establish their fee schedules years ago and rarely revisit them. Meanwhile, workers' compensation fee schedules are updated, regulations change, and allowable amounts increase. If your office hasn't reviewed those schedules recently, there is a good chance you may be leaving money on the table.

This isn't about overcharging.

It's about recognizing the value of the care we provide and making sure our fees reflect that value. At the very least, don't you think we should be charging what the insurance companies themselves believe our services are worth?

Workers' compensation systems are highly regulated. The allowable fees are established by law, regulation, or state-approved schedules. When you charge less than what is permitted, you are voluntarily reducing your revenue without creating any additional benefit for the injured worker, employer, or carrier.

But here's what concerns me most.

What we found in workers' compensation wasn't an isolated problem. It was evidence of a much larger trend.

Once we identify undercharging in workers' compensation cases, we often discover the same pattern throughout the practice. Fee schedules haven't been reviewed in years. Charges haven't kept pace with rising costs. Doctors are providing tremendous value but collecting less than they should because nobody has stopped to evaluate whether their fees still reflect the care being delivered.

The undercharging we see in workers' compensation is often just the first sign of a larger issue: many chiropractors have grown accustomed to accepting less than the value they provide.

For years, our profession has faced declining reimbursements, increasing regulations, rising operating expenses, and growing administrative burdens. Somewhere along the way, many of us stopped asking an important question:

Do my fees reflect the value of the care I provide?

Not the highest fee.

Not the lowest fee.

The right fee.

Team compensation continues to rise. Technology costs continue to rise. Rent, supplies, software, compliance, and everyday business expenses continue to rise. Yet many practices are still operating from fee schedules that were established years ago and never revisited.

Ask yourself this:

When was the last time you reviewed your fees—not just for workers' compensation, but across your entire practice?

If you can't remember, it may be time.

A simple fee analysis can reveal opportunities to improve collections without seeing more patients, extending office hours, or adding new services. More importantly, it helps ensure that the value of your care is reflected in the fees you charge. For the record, we will never tell you what to charge, to raise or lower your fees. What we can do is show you where you are, and then you make the decision.

Workers' compensation may be where the problem becomes visible.

But it may not be where the problem ends.

After all, if the law allows it, your fees support it, and the value is there, why wouldn't you charge it?

Want to discover additional opportunities that successful practices use to strengthen profitability and compliance? Download our free white paper, *4 Overlooked Secrets of Successful Chiropractic Practices*. You'll learn practical strategies that can help you protect revenue, improve financial systems, and build a stronger practice for the future.

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