

HCS HB 30 -- INSURANCE COVERAGE FOR PHYSICAL THERAPY SERVICES

SPONSOR: Scharnhorst

COMMITTEE ACTION: Voted "Do Pass" by the Committee on Health Insurance by a vote of 9 to 1.

This substitute prohibits a health carrier or health benefit plan from imposing a greater copayment, coinsurance, or deductible amount to the insured for services requiring a prescription by a licensed physical therapist than that charged for services provided by a licensed primary care physician for an office visit. A health carrier or health benefit plan must clearly state the availability of physical therapy coverage under its plan and all related limitations, conditions, and exclusions.

Beginning September 1, 2013, the substitute requires the Oversight Division of the Joint Committee on Legislative Research to perform an actuarial analysis of the cost impact to health carriers, insureds with a health benefit plan, and other public and private payers if the legislation was enacted. A report of the actuarial findings must be submitted to the Speaker of the House of Representatives, the Speaker Pro Tem of the Senate, and the Chairperson of the House Committee on Health Insurance by December 31, 2013. The actuarial analysis requirement must be waived if the fiscal note cost estimation is less than the cost of the actuarial analysis.

PROPONENTS: Supporters say that patients cannot afford to pay the specialist rate for each physical therapy visit. An estimated 40% of patients prematurely end physical therapy because it is too expensive. In states that passed similar legislation, patient compliance with physical therapy prescriptions increased. This does not affect Medicare, which uses a referral system and charges a set rate for outpatient services, or Medicaid, which has limited coverage for pediatric patients and zero coverage for adults. The legislation only changes the amount an insurance company may charge for a physical therapy visit; it does not mandate coverage or eliminate annual benefit limits. Access to physical therapy is completely controlled by prescribing physicians because it requires a prescription before physical therapy can begin.

Testifying for the bill were Representative Scharnhorst; and Missouri Physical Therapy Association.

OPPONENTS: Those who oppose the bill say that health insurance providers are not against the use of physical therapy, occupational therapy, or other therapy. The biggest concern is ensuring people stay insured, especially in light of all of the changes occurring

as a result of federal health care regulation. Health insurance providers try to provide incentives for the use of primary care and divert utilization of specialist services to the extent allowed by law in an effort to provide the best and most affordable health insurance coverage possible. The multitude of visits attached to physical therapy creates a high rate of utilization that results in greater expense. This increase in expense is controlled using cost sharing and copayments. For statutory health care mandates passed after 2010, the Affordable Care Act (ACA) requires states to pay for any increased costs that result, meaning Missouri could be forced to pay for the mandate out of the General Revenue Fund. Primary care visits are charged differently depending on the length of the visit and other variables and will not translate to physical therapy charges. This legislation affects only 27% of Missourians and does not affect people who are self-insured. Due to ACA caps on health insurance provider profits, all increases in costs will go directly to policy holders.

Testifying against the bill were Anthem Blue Cross Blue Shield of Missouri; Blue Cross Blue Shield of Kansas City; Coventry Health Care; Missouri Insurance Coalition; and America's Health Insurance Plans (AHIP).

OTHERS: Others testifying on the bill say that 2% of the general population will use physical therapy at any given time. The average reimbursement for a private practice physical therapist from a managed care organization is \$60 per visit. The reimbursement is a combination of a copayment from the patient and a health insurance reimbursement. Occupational therapists also have patients who must choose to discontinue therapy due to the excessive cost. Occupational therapy addresses the occupation of living and is also an important form of therapy that many people need.

Testifying on the bill were Missouri Occupational Therapy Association; and Bill Hopfinger.