

Maryland Health Care Commission

Mandated Benefit Review – Physical Therapy Parity with Primary Care Services – Proposed House Bill 975 and Senate Bill 725

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November 17, 2022

Proposed Mandated Benefit Review

- ▲ MHCC retained BerryDunn to evaluate the required financial, medical, and social aspects of the proposed mandate including an actuarial analysis
- ▲ Resources:
 - MHCC staff
 - Maryland Medical Care Data Base (MCDB) - an anonymous claims database that can be used to evaluate healthcare costs and utilization patterns
 - Published literature
 - Carrier survey on existing benefit designs and potential benefit, network, and utilization management changes
 - Discussion with Maryland Chapter of the American Physical Therapy Association



Legislative Background

- ▲ House Bill 974 and companion bill Senate Bill 725 proposed during the 2022 session
 - Would restrict cost sharing for physical therapy services to primary care levels
 - Applies to deductibles, coinsurance, and copays
 - Does not change the scope of covered services
 - No additional limits on administration of the benefit
 - Carriers are not prevented from using standard cost and utilization controls
 - Prior authorization, select networks, criteria for medical necessity, limits on number of visits



Financial Modeling Results - Summary

	2019 PMPM	Cost Trend	Utilization Increase	2024 PMPM
Low Scenario	\$0.15	0.0%	\$0.02	\$0.17
Mid Scenario	\$0.17	2.9%	\$0.02	\$0.22
High Scenario	\$0.21	5.7%	\$0.02	\$0.28



Medical and Social Evaluation

- ▲ PT is recognized by the medical community and the public as being effective in the treatment of medical conditions
- ▲ Decreased risk of advanced imaging, additional physician visits, injections, and opioid medications
- ▲ Satisfaction rates high
- ▲ Demand for PT services expected to be driven by large numbers of people with disabilities, age-related issues, cardiovascular diseases, and post-COVID-19 treatment needs
- ▲ 2017 study concluded that PT is underutilized in part due to copays imposed per visit
 - Geisinger Health Plan offered a PT bundle of up to five visits with one copay
 - Patients had reductions in emergency department and primary care visits after six months



Medical and Social Evaluation

▲ Health Insurance Benefits

- Physical therapy is a covered benefit
- Copayments are often twice the amount for primary care services
- Carriers use prior authorization, select networks, limits on number of PT visits, and medical necessity criteria to limit PT costs
- Premiums reflect an array of specific benefit decisions
 - An increase in benefit richness for PT services may be offset by weaker benefits elsewhere
- Substantial administrative costs can be avoided by aligning any proposed mandate effective dates with plan renewals



Medical and Social Evaluation

- ▲ Population costs at various PT cost sharing levels
 - Costs highest at lowest and highest cost copayment levels
 - Overall and PT costs lowest for copayments more than \$10 but less than \$50
- ▲ PT as a substitute for a more expensive service
- ▲ Impact on cost of the service
- ▲ Employers' and individuals' ability to purchase insurance



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Questions and Discussion

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