

# SENATE BILL REPORT

## SB 6123

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As of January 23, 2014

**Title:** An act relating to physical therapy copayment and coinsurance.

**Brief Description:** Concerning physical therapy copayment and coinsurance.

**Sponsors:** Senator Dammeier.

**Brief History:**

**Committee Activity:** Health Care: 1/23/14.

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### SENATE COMMITTEE ON HEALTH CARE

**Staff:** Mich'l Needham (786-7442)

**Background:** Some health plans have been designing benefit cost sharing, in the form of copayments or co-insurance, that varies by type of service, with a level designated for office visits and a different level designated for specialty visits.

The federal essential health benefit categories required for individual and small group benefit plans include rehabilitative services which include physical therapy, occupational therapy, speech therapy, and other items. The cost sharing for covered services in the essential health benefit categories may vary but must not be discriminatory. A benefit plan must not establish a different cost-sharing structure for a specific benefit or tier if the sole type of enrollee who would access that benefit or benefit tier is one with a chronic illness or medical condition.

**Summary of Bill:** All health plans offered or renewed on or after January 1, 2015, that provide coverage for physical therapy services, may not charge a covered person a copayment or coinsurance for services rendered by a physical therapist that is greater than the copayment or coinsurance charged to the covered person for an office visit to a primary care provider.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: Physical therapy services can be very helpful in managing health conditions and avoiding other more costly care. The structure applying higher copays to some services can really impact the ability for patients to receive all the care they need. Services like physical therapy typically require multiple visits, sometimes paired with other services like a primary care office visit, occupational therapy, and speech therapy, all with separate copays. Medicare Advantage plans in particular use this copayment structure, and although that is an issue under the control of the federal government it is important to note that patients cannot access the lower cost services like physical therapy that will help them avoid a more expensive nursing home stay. The range of rehabilitation services that result in multiple visits should be included in this copayment limitation. Cardiac and pulmonary rehabilitation is a prescribed service that requires an average of 36 visits, and the high specialty copays impact the patient's ability to access all of their prescribed care. We support adding occupational therapy to the list of services. Access to early care can prevent more expensive and complicated problems but patients delay care if the cost is too high.

CON: This is an administrative complication for insurance carriers. The Affordable Care Act establishes actuarial values with a grouping of benefits by category, like rehabilitation services. It would be very difficult to pull one of the services from the category for actuarial valuation. Any shift in the member cost sharing that changes the actuarial value will result in a premium increase.

OTHER: Include chiropractors in the change for copays. The copays charged today often exceed the contracted allowed amount so patients pay out of pocket for a benefit that is included in the premium but they cannot really access coverage. Leveling the charges for patients will offset other insurance costs with reduced services in other areas.

**Persons Testifying:** PRO: Senator Dammeier, prime sponsor; Robin Schoenfeld, Diana Godwin, The Physical Therapy Assn. of WA, Private Practice Special Interest Group; Glenn Bean, Tacoma General Hospital/NW Assn. Cardiac and Pulmonary Rehab. Clinical Coordinator; JoAnn Keller, WA Occupational Therapy Assn.

CON: Len Sorrin, Premera.

OTHER: Lori Grassi, WA State Chiropractic Assn.