



Rx: Health Care FYI #53

Subject: *Access to Physical Therapy Saves Money*
From: *Rep. Tim Murphy (PA-18)*
Date: *March 26, 2007*

The problem: Access to physical therapy in some states requires a referral by a physician which may increase health care costs and delay access to care. In addition, Medicare currently caps physical therapy treatments which denies medically necessary and preventive physical therapy to our nation's seniors.

What is physical therapy?

- Physical Therapy or physiotherapy is a treatment of disorders of the muscles, bones, or joints by means of physical agents and exercise.

Direct access to physical therapy save money:

- Physician referrals to physical therapy were designed to screen patients for more severe medical problems. However, many states allow direct access to physical therapists for evaluation and treatment for less severe problems and rehabilitation services.
- 43 states and the insurance companies that reimburse under direct access to a physical therapist realize a cost savings of approximately \$1,200 per patient episode of care.¹
- The total paid claims for "physician referrals" to physical therapists was 123% or 2.2 times higher than the paid claims for "direct access" to physical therapists.
- Total paid claims averaged \$2,236 for "physician referral" episodes as compared to \$1,004 for "direct access" episodes.²
- Physician referrals for physical therapy generated 60% more medical office visits than patients with direct access to physical therapists.³

¹ Mitchell JM, PhD, de Lissovoy G. A comparison of resource use and cost in direct access versus physician referral episodes of Physical Therapy. *Phys. Ther.* 1997; 77:10-18.

² Ibid.

³ Ibid.

Seniors are not receiving timely physical therapy treatments:

- If a Medicare patient wanted to see a specialist for a specific illness, the wait averaged 12.5 days. Specialists visits, such as with orthopedic surgeons, are common sources of physician referrals and often required for seniors to receive access to physical therapy services.⁴
- Almost 10 percent of participants in another study indicated that they would have liked to utilize physical therapy interventions for their impairment, but could not access their physical therapists because they did not ask their physician.⁵

The federal government:

- Medicare currently imposes therapy caps at \$1780 per beneficiary per year. The recently passed Deficit Reduction Act creates an exceptions process to ensure Medicare beneficiaries who need access to this care retain access to physical therapy services. However, the current exceptions process established in the Deficit Reduction Act will expire on December 31, 2007 without congressional action.

Recommendations:

- Extend the “exceptions process” under the Deficit Reduction Act to allow seniors to access medically necessary physical therapy service without unnecessary delays in care.
- Pass H.R. 1552, the Medicare Patient Access to Physical Therapists Act to authorize physical therapists to evaluate and treat Medicare beneficiaries without a requirement for a physician referral to reduce Medicare costs and increase physical therapy services to our nation’s seniors.
- Pass H.R. 748, the Medicare Access to Rehabilitation Services Act to repeal therapy caps for Medicare most vulnerable beneficiaries who need additional physical therapy services. These patients include seniors who have suffered from a stroke, have Parkinson's disease, spinal cord injuries or osteoporosis.

⁴ Trude S and Ginsburg PB. Center for Studying Health System Change. An update on Medicare beneficiary access to physician services. Issue Brief No. 93. February 2005.

⁵ Bell RA, Kravitz RL, Thom D, et al. Unsaid but not forgotten: Patients’ unvoiced desires in office visits. Arch Intern Med. 2001; 161:1977-1984.