



Senate Fiscal Agency
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BILL ANALYSIS



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Senate Bills 690 through 694 (as enacted)
Sponsor: Senator John Moolenaar (S.B. 690)
Senator Rebekah Warren (S.B. 691)
Senator Tom Casperson (S.B. 692)
Senator Dave Hildenbrand (S.B. 693)
Senator Mike Green (S.B. 694)

Senate Committee: Health Policy
House Committee: Health Policy

Date Completed: 7-31-14

PUBLIC ACTS 260-264 of 2014**RATIONALE**

In Michigan, an individual must obtain a prescription from a physician or dentist in order to receive physical therapy services. It was pointed out that this requirement can result in delayed treatment and increased costs for both patients and insurers. Reportedly, only one other state does not allow direct access to physical therapy. It was suggested that eliminating the prescription requirement would facilitate access to timely and more cost-effective physical therapy services.

CONTENT

Senate Bill 690 amends Part 178 (Physical Therapy) of the Public Health Code to permit a physical therapist or physical therapist assistant to treat an individual without a prescription for physical therapy services, subject to requirements to refer a patient to an appropriate health professional or obtain a prescription under certain circumstances.

Senate Bills 691 through 694 amended various statutes to provide that an insurer does not have to reimburse for physical therapy service provided without a prescription.

Senate Bill 691 amended the Nonprofit Health Care Corporation Reform Act. Senate Bill 692 amended the Prudent Purchaser Act. Senate Bill 693 amended the Worker's Compensation Disability Act. Senate Bill 694 amended the Insurance Code.

Senate Bill 690 will take effect on January 1, 2015. All of the other bills took effect on July 1, 2014.

Senate Bill 690

Under Part 178 of the Public Health Code, an individual may not engage in the practice of physical therapy or practice as a physical therapist assistant unless licensed or otherwise authorized under the Code. A person may engage in the treatment of another individual only upon the prescription of an individual who is licensed under Part 166 (Dentistry), 170 (Medicine), 175 (Osteopathic Medicine and Surgery), or 180 (Podiatric Medicine and Surgery). Under the bill, this applies except as otherwise provided. Also, the bill refers to a "health care professional", rather than an "individual", who is licensed under one of those parts.

Beginning January 1, 2015, except as described below, the bill allows a physical therapist or assistant acting under the supervision of a physical therapist to treat an individual without a

prescription from a health care professional who holds a license under any of the specified parts of the Code or the equivalent license issued by another state, under either of the following circumstances:

- The patient is seeking physical therapy services for the purpose of preventing injury or promoting fitness.
- For 21 days or 10 treatments, whichever occurs first.

With regard to the second condition, a physical therapist must determine that the patient's condition requires physical therapy before delegating physical therapy interventions to a physical therapy assistant.

The Code requires a physical therapist to refer a patient back to the health professional who issued the prescription for treatment if the physical therapist has reasonable cause to believe that symptoms or conditions are present that require services beyond the scope of practice of physical therapy. Additionally, a physical therapist must consult with the prescribing health professional if a patient does not show reasonable response to treatment in a time period consistent with the standards of practice as determined by the Michigan Board of Physical Therapy. Under the bill, these provisions apply to a physical therapist who is treating a patient upon the prescription of a health care professional.

The bill establishes similar requirements that apply to a physical therapist who is treating a patient without a prescription, except the bill refers to an "appropriate" health care professional, rather than the health care professional who issued a prescription.

In addition, Part 178 restricts the use of certain words, titles, or letters to those who are authorized to use them under the part. The bill includes "doctor of physiotherapy" and "doctor of physical therapy" among them.

Senate Bill 691

Under the bill, notwithstanding any other provision of the Nonprofit Health Care Corporation Reform Act, which governs Blue Cross Blue Shield of Michigan (BCBSM), if a BCBSM certificate or coverage under a prudent purchaser agreement provides for benefits for services provided by a licensed physical therapist or physical therapist assistant under a licensed physical therapist's supervision, BCBSM does not have to provide benefits or reimburse for a practice of physical therapy service or practice as a physical therapist assistant service unless the service was provided pursuant to a prescription from a health care professional who holds a license issued under Part 166, 170, 175, or 180 of the Public Health Code, or the equivalent license issued by another state.

Senate Bill 692

The bill specifies that if coverage under a prudent purchaser agreement provides for benefits for services provided by a licensed physical therapist or physical therapist assistant under a licensed physical therapist's supervision, the Prudent Purchaser Act does not require that coverage or reimbursement to be provided for a practice of physical therapy service or physical therapist assistant service, unless the service was provided pursuant to a prescription from a licensed health care professional.

Senate Bill 693

The bill provides that, under the Worker's Disability Compensation Act, an employer does not have to reimburse or cause to be reimbursed charges for physical therapy service unless it was provided by a licensed physical therapist or physical therapist assistant under the supervision of a licensed physical therapist pursuant to a prescription from a licensed health care professional.

Senate Bill 694

Under Chapter 31 (Motor Vehicle Personal and Property Protection) of the Insurance Code, personal protection insurance benefits are payable for allowable expenses consisting of all reasonable charges incurred for reasonably necessary products, services, and accommodations for an injured person's care, recovery, or rehabilitation. Under the bill, reimbursement or coverage for expenses within personal protection insurance coverage is not required for a practice of physical therapy service or practice as a physical therapist assistant service, unless the service was provided by a licensed physical therapist or physical therapist assistant under his or her supervision pursuant to a prescription from a licensed health care professional.

The bill also amended Chapters 34 (Disability Insurance Policies) and 36 (Group and Blanket Disability Insurance) to provide that, notwithstanding any other provision of the Code, if coverage under a prudent purchaser agreement provides for benefits or services provided by a licensed physical therapist or physical therapist assistant, an insurer does not have to provide coverage or reimburse for that service unless it was provided pursuant to a prescription from a licensed health care professional.

MCL 333.17820 & 333.17824 (S.B. 690)
550.1502 & 550.1502a (S.B. 691)
550.53 (S.B. 692)
418.315 (S.B. 693)
500.3107b (S.B. 694)

ARGUMENTS

(Please note: The arguments contained in this analysis originate from sources outside the Senate Fiscal Agency. The Senate Fiscal Agency neither supports nor opposes legislation.)

Supporting Argument

The prescription requirement for physical therapy services presents a barrier to timely, effective treatment and increases health care costs. Currently, a patient first must schedule an appointment with a primary care provider to obtain the prescription. The patient and his or her insurer must bear the cost associated with this office visit. Additionally, patients who are referred by physicians have more physical therapy visits and generate higher paid insurance claims than those who seek physical therapy directly, according to data from other states. Moreover, physical therapy can serve to prevent injury. Whether physical therapy services are used as a preventive measure or to treat an existing mobility problem, the delay associated with the prescription requirement can lead to less desirable functional outcomes.

As allowed by Senate Bill 690, direct access will not change physical therapists' scope of practice or compromise patient safety. Physical therapists are highly educated, licensed health care professionals who are qualified to provide preventive and rehabilitative services, and to determine when a patient's treatment needs fall outside the prescribed scope of practice. The Public Health Code already requires a physical therapist to refer a patient to a doctor when appropriate; the same requirement will apply in the case of a patient who obtains services without a prescription. Furthermore, the bill allows direct access only for preventive services or for a limited time period. State law already allows Michigan health care consumers to obtain services from an occupational therapist or chiropractor without a prescription; the same option should be available for physical therapy services.

With regard to the economic impact of direct access, Senate Bills 691 through 694 allow insurers to choose whether to cover physical therapy services obtained without a prescription, which should alleviate concerns about overutilization and increased claims. Additionally, broader access to physical therapy services will facilitate injury prevention and early treatment, reducing losses in productivity and wages.

Overall, direct access to physical therapy expands consumer choice, helps to contain health care costs, and leads to better patient outcomes. In light of these benefits, it is prudent for Michigan

to eliminate the prescription requirement and join the 48 other states that allow direct access. The legislation also might discourage graduates of Michigan physical therapy programs from moving to direct access states to practice.

Legislative Analyst: Julie Cassidy

FISCAL IMPACT

The bills will have no fiscal impact on State or local government. The two minor fiscal implications of the bills stem from the role of State and local governments as employers and the State's role in State-run health care programs. Should the bills reduce the number of allowable visits to physical therapists, State and local entities might see a slight reduction in cost. However, the population affected will not be large enough to significantly change the fiscal burden for either State or local government.

Fiscal Analyst: Ellyn Ackerman
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This analysis was prepared by nonpartisan Senate staff for use by the Senate in its deliberations and does not constitute an official statement of legislative intent.