



December 30, 2022

The Honorable Larry Hogan
Governor
State of Maryland
Annapolis, MD 21401-1991

The Honorable Bill Ferguson
President of the Senate
H-107 State House
Annapolis, MD 21401-1991

The Honorable Adrienne A. Jones
Speaker of the House
H-101 State House
Annapolis, MD 21401-1991

Dear Governor Hogan, President Ferguson, and Speaker Jones:

Pursuant to Insurance Article §15-1501, Annotated Code of Maryland, the Maryland Health Care Commission is pleased to submit the enclosed mandated health insurance services evaluation on cost sharing adjustments to physical therapy services, as proposed under **HB 974 – Health Insurance – Physical Therapy – Copayments, Coinsurance, and Deductibles**, a bill that was introduced but failed to pass during the 2022 legislative session.

The Commission contracted with BerryDunn an actuarial consulting firm, to conduct the fiscal, medical, and social impact of this proposed mandate. As part of the evaluation process, BerryDunn and Commission staff met with industry stakeholders from the Maryland Chapter of the American Physical Therapy Association (APTA). The APTA provided valuable insight and reference materials that BerryDunn utilized in their analysis. Materials provided by the APTA and a comment letter from APTA on BerryDunn's report are also enclosed with this letter.

Contingent upon approving the report for submission to the General Assembly, the Commission notes the following policy concerns with equating cost sharing for physical therapy services with primary care services:

1. If cost-sharing parity between physical therapy and primary care services were adopted, the effect on the current metal-level cost sharing (i.e., members are responsible for 40% of the cost-sharing for Bronze plans/30% for Silver plans in the individual and small group markets) could be impactful as members receiving care

and paying for other covered services could end up paying more out-of-pocket for these services in order for the health plan to maintain those actuarial metal levels.

2. Raising cost sharing could result in “watering down” in actuarial value and could have negative consequences to primary care providers and to primary care coverage.
3. Equating cost-sharing between primary care and physical therapy services could spur further calls for parity with primary care. Other non-physician health care practitioners, such as occupational and speech therapists, could be expected to make similar appeals. Lower cost sharing for primary care is the foundation to the health insurance reforms in the ACA. Lower cost sharing for primary care services reflects the importance of primary care in promoting access and constraining health care costs. In a high functioning health care system, primary care providers are expected to provide patients with primary care-comprehensiveness, first contact access, coordination and continuity of care. Important as other services may be, they should not be given parity with primary care.

Finally, the Commission strongly urges the General Assembly to proceed with caution when considering the adoption of additional mandated health insurance services given their cumulative deleterious impact on affordability over time despite a minimal impact on premiums of any single mandate at the time of adoption.

Please do not hesitate to contact me at 410-764-3565, if you have any questions.

Sincerely,



Ben Steffen
Executive Director

cc: The Honorable Delores G. Kelley, Chair, Senate Finance Committee
The Honorable Joseline A. Pena-Melnyk, Chair, Health and Government Operations Committee
Senator Cory V. McCray, Senate Budget and Taxation Committee
Delegate Nicholas R. Kipke, House Health and Government Operations Committee Member of the General Assembly
Patrick Carlson, Committee Staff, Senate Finance Committee
Lisa Simpson, Committee Staff, Health and Government Operations Committee
Sarah Albert, Department of Legislative Services (5 copies)

Enclosures (3)

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