



## **PHYSICAL THERAPY MODEL BENEFIT PLAN DESIGN BOD P12-11-01-01** [Position]

The American Physical Therapy Association (APTA) has developed the *Physical Therapy Model Benefit Plan Design* to ensure access to physical therapy services by informing decisions regarding coverage of physical therapy services in insurance benefit plans. The *Physical Therapy Model Benefit Plan Design* should be used by insurers, employers, individual insurance plan subscribers, and public policy-makers when considering insurance benefit plan design. It is also a tool for physical therapists to advocate for appropriate access to and coverage of physical therapist services for their patients and clients.

Physical therapy is a health profession whose primary purpose is the promotion of optimal health and function. As such, access to physical therapy services is necessary for health care consumers in order to optimize activity and participate in society. Today, insurance benefit plan designs contain features that inappropriately restrict access to medically necessary physical therapy services. These features include: escalating out-of-pocket payment requirements; combining physical therapy benefit limits with those of other disciplines reporting the same or similar Current Procedural Terminology (CPT) codes; and denial of services based on visit limits and utilization management guidelines that are arbitrary or inappropriate.

In some markets, out-of-pocket payments account for the majority of the cost of a visit. In addition, recent development is noted of requirements for multiple copayments for a single visit on the same date of service under one physical therapy plan of care. APTA appreciates the concept of cost-sharing to encourage appropriate utilization of health care services; however, out-of-pocket payments are reaching the point at which patients/clients are choosing to forgo necessary services because they are becoming unaffordable.

Physical therapists report (bill for) their services using CPT codes that are also reported by other health care disciplines, such as occupational therapists and chiropractors. Insurers have established policies to limit the number of visits based solely on CPT codes reported. This policy creates confusion for health care consumers when they attempt to access physical therapy services after receiving unrelated services from another health care provider and they are told that they have exhausted their physical therapy benefit.

APTA supports the use of evidence in decision making regarding health care services. As such, treatment guidelines and visit limits should be supported by evidence and consideration of the consumer's health care needs to actively participate in society.

The Institute of Medicine's (IOM) recent report *Essential Health Benefits: Balancing Coverage and Costs* reinforces the appropriateness of including physical therapy benefits in comprehensive insurance plan design.<sup>1</sup> IOM developed this report in response to a request by the U.S. Department of Health and Human Services for assistance in defining essential health benefits under provisions of the Affordable Care Act. Because physical therapists deliver services under several of the 10 essential benefit categories – including *rehabilitative and habilitative services and devices, preventive and wellness services, and pediatric services* – APTA believes that physical therapy must be included in any comprehensive insurance plan design.

The *Physical Therapy Model Benefit Plan Design* includes: a description of the role and value of physical therapists in health care, emphasizing the use of evidence in reducing disability and clinical costs; guiding principles regarding access to physical therapists including discussion

about who is responsible for physical therapy services, the role of medical necessity in decision making, the coverage of physical therapy benefits, and appropriate cost-sharing provisions; and a glossary of key terminology included in the description and guiding principles sections.

### **Description of Physical Therapy Services**

Physical therapists diagnose and manage movement dysfunction and enhance physical and functional abilities for movement disorders related to impairments of the musculoskeletal, cardiovascular/pulmonary, neuromuscular and integumentary systems. Physical therapists restore, maintain, and promote optimal physical function as well as optimal wellness, fitness, and quality of life as it relates to movement and health. Physical therapists also prevent the onset, symptoms and progression of impairments, functional limitations and disabilities that may result from diseases, disorders, conditions or injuries.<sup>2</sup>

Physical therapists perform the patient/client management elements of examination, evaluation, diagnosis and prognosis. Physical therapy interventions are provided by or under the direction and supervision of licensed physical therapists.

Physical therapists provide evidence-based services to decrease disability, improve function and independence, prevent illness, promote wellness and restore quality of life to the patients/clients they serve.

Physical therapy services reduce disability and clinical cost by reducing the need for services of greater expense, greater risk, or both to the patient/client.<sup>3</sup>

As such, any comprehensive health care coverage and insurance plan design must include a benefit for medically necessary physical therapy services as determined by the physical therapist of record.

### **Guiding Principles**

APTA endorses inclusion of the following principles in insurance benefit plan design to ensure health care consumer access to physical therapist services.

#### *Provision of physical therapy services*

Physical therapists are the only professionals who provide or supervise the delivery of interventions under a physical therapy plan of care. APTA recommends that federal and state government agencies and other third party payers require physical therapy services to be provided *only* by or under the direction and supervision of a licensed physical therapist.

The patient/client management elements of examination, evaluation, diagnosis, and prognosis should be represented and paid as physical therapy only when they are performed by a licensed physical therapist.<sup>2</sup>

The patient/client management element of intervention should be represented and paid as physical therapy only when performed by or under the direction and supervision of a licensed physical therapist in accordance with APTA positions, policies, standards, codes, and guidelines, and applicable state laws.<sup>2</sup>

The plan of care for medically necessary physical therapy services is established by a licensed physical therapist.

#### *Medically necessary physical therapy*

Medically necessary physical therapy services are comprehensive, and are paid through the continuum of life and across all treatment settings.

Medically necessary physical therapy services, as defined below, are paid as physical therapy when provided by or under the direction and supervision of a licensed physical therapist

consistent with the jurisdictional scope of practice and qualifications, and according to the needs of the patient/client.

#### *Coverage of physical therapy*

Medically necessary physical therapy services delivered by or under the direction and supervision of a licensed physical therapist should be covered by the insurer.

Payment for services provided by or under the direction and supervision of a licensed physical therapist:

- is not subject to referral restrictions or authorization, consistent with medical necessity requirements.
- is defined as a distinct benefit. Services are not combined in a benefit package that includes any other professional discipline reporting CPT codes either within or outside of the 97000 series.
- is not identified or limited by an arbitrary set of CPT codes, such as the 97000 series code set. As per CPT instruction, "Any procedure or service in any section of the CPT book may be used to designate services rendered by any qualified physician or other qualified health care professional."<sup>4</sup>

All plan documents are written in plain language to make them responsive, accessible, and understandable to the public. Acronyms are limited in all of the insurer's written documentation. If acronyms are used, an explanation is included about their meaning.

#### *Cost-sharing in physical therapy*

Physical therapy services that are covered and that require an out-of-pocket payment by the covered individual should be applied to the out-of-pocket maximum coverage limitation.

Out-of-pocket payments for physical therapy services should be reasonable and should not prohibit the effective utilization of, or appropriate access to, physical therapy services under the plan design.

Covered individuals should be protected against catastrophic out-of-pocket expenses for skilled and medically necessary covered services. Annual out-of-pocket expenses should not exceed the current federally determined maximum out-of-pocket expenses for Health Savings Accounts (HSA) per individual and per family.

#### **Definitions**

*Physical therapists* are licensed health care professionals. Qualification for licensure includes passing the National Physical Therapy Exam (NPTE), administered by the Federation of State Boards of Physical Therapy. Another important qualification for licensure is graduation from physical therapy education program accredited by the Commission on Accreditation in Physical Therapy Education (CAPTE) or a program that is deemed substantially equivalent to a CAPTE-accredited program.<sup>7</sup>

*Physical therapy and physical therapist services* are the care and services provided by or under the direction and supervision of a licensed physical therapist. Physical therapy is synonymous to physiotherapy. The terms physical therapist and physiotherapist are also synonymous.<sup>2,5</sup>

A *physical therapy examination* is the comprehensive screening and specific testing process that leads to diagnostic classification or, as appropriate, referral to another health care practitioner. Examination includes patient/client history, systems review, and tests and measures.<sup>2</sup>

A *physical therapy evaluation* is the clinical judgment made by the physical therapist based on data gathered during the examination.<sup>2</sup>

A *physical therapy intervention* is the purposeful interaction of the physical therapist with the patient or client and, when appropriate, with other individuals involved in patient/client care, using various physical therapy procedures and techniques to produce changes in the condition that are consistent with the diagnosis and prognosis. Physical therapy interventions consist of coordination, communication, and documentation; patient/client-related instruction; and procedural interventions.<sup>2</sup>

Physical therapy, as part of an individual's health care, is considered *medically necessary* as determined by the licensed physical therapist based on the results of a physical therapy evaluation and when provided for the purpose of preventing, minimizing, or eliminating impairments, activity limitations, or participation restrictions. Physical therapy is delivered throughout the episode of care by the physical therapist or under his or her direction and supervision; requires the knowledge, clinical judgment, and abilities of the therapist; takes into consideration the potential benefits and harms to the patient/client; and is not provided exclusively for the convenience of the patient/client. Physical therapy is provided using evidence of effectiveness and applicable physical therapy standards of practice and is considered medically necessary if the type, amount, and duration of services outlined in the plan of care increase the likelihood of meeting one or more of these stated goals: to improve function, minimize loss of function, or decrease risk of injury and disease.<sup>6</sup>

*Patient/client* refers to the individual receiving physical therapist services.

*Out-of-pocket payments* include copayment, coinsurance, deductibles, and any other expenses that are the responsibility of the patient/client.

#### References

1. IOM (Institute of Medicine). *Essential Health Benefits: Balancing Coverage and Cost*. Washington, DC: The National Academies Press; 2011.
2. *Guide to Physical Therapist Practice*. 2<sup>nd</sup> ed. Alexandria, VA: American Physical Therapy Association; 2003.
3. Peterson LE, Goodman C, Karnes EK, Chen CJ, Schwartz JA. Assessment of the quality of cost analysis literature in physical therapy. *Phys Ther*. 2009;89(8):733-755.
4. *Current Procedural Terminology (CPT®) 2011*. Chicago, IL: American Medical Association; 2011.
5. *The Model Practice Act for Physical Therapy*. 5<sup>th</sup> ed. Alexandria, VA: Federation of State Boards of Physical Therapy; 2011.
6. [Medically Necessary Physical Therapy Services](#). American Physical Therapy Association. Position BOD P08-11-03-04; available at <http://www.apta.org/Policies/BOD/>; 2011.
7. *Today's Physical Therapist: A Comprehensive Review of a 21<sup>st</sup> Century Health Care Profession*. Alexandria, VA: American Physical Therapy Association; 2011.

#### Additional resources

American Physical Therapy Association Core Documents. Available at [www.apta.org/CoreDocuments](http://www.apta.org/CoreDocuments).

[Document updated: 01/06/12]

#### Explanation of Reference Numbers:

BOD P00-00-00-00 stands for Board of Directors/month/year/page/vote in the Board of Directors Minutes; the "P" indicates that it is a position (see below). For example, BOD P11-97-06-18 means that this position can be found in the November 1997 Board of Directors minutes on Page 6 and that it was Vote 18.

P: Position | S: Standard | G: Guideline | Y: Policy | R: Procedure