

Documentation Related to S.B. 433/H.B. 607

Cost-Effectiveness of Direct Access to Physical Therapy

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In a study conducted to determine whether direct access to physical therapy services provided by a licensed physical therapist is cost effective, it was found that:

- The total paid claims for physician referral episodes to physical therapists was 123% or 2.2 times higher than the paid claims for Direct Access episodes. The total paid claims averaged \$2,236 for "physician referral" episodes as compared to \$1,004 for Direct Access episodes. When expressed in terms of actual reimbursements, the difference in total paid claims per episode was \$1,232.
- Physician referral episodes were 65% longer in duration than Direct Access episodes.
- Physician referral episodes generated 67% more physical therapy claims and 60% more office visits than Direct Access episodes.

Background:

Using health insurance claims data from Blue Cross-Blue Shield of Maryland, an expert panel of physicians and physical therapists analyzed 8,920 episodes of care from 3,000 individuals from 1989 through mid-1993. The authors concluded that, "Direct Access episodes were shorter, encompassed fewer numbers of services, and were less costly than those classified as physician referral episodes."