

High Patient Co-pays for Rehabilitative Services

Penny-wise but Pound-foolish?

- **High co-pays are a barrier to accessing Physical Therapy Services. Patient co-pays for Physical Therapy are typically \$30-\$75 *per visit*.** Patients are often seen twice weekly for up to 8 visits, generating up to \$600 in additional costs for patients to receive needed services. Total reimbursement from insurance companies and patients combined remains unchanged.
- **Survey performed by NM Chapter of the American Physical Therapy Association in November 2012 estimated that up to 35% of patients are experiencing difficulties with meeting co-pays.** Patients are now delaying, rationing, or completely forgoing prescribed Physical Therapy services due to high co-pays.

However . . .

- Research by medical journal *Spine* : **Primary Care Referral of Patients With Low Back Pain to Physical Therapy: Impact on Future Health Care Utilization and Costs, December 2012.** This retrospective review of 32,000 cases of low back pain, showed that early PT saved an average of \$2700/case in downstream costs compared to delayed PT intervention.
- **In A Novel Plan Helps Hospital Wean Itself Off Pricey Tests by Vanessa Fuhrmans, Wall Street Journal, Jan 12, 2007 Page A1,** A Seattle-based medical center, in conjunction with Aetna, restructured how it treated back pain patients. By putting physical therapy first, the cost of treatment dropped by more than 50%, patients got treated faster, patients got better faster and insurers saved money at the same time.

Other Studies

- **Increased Ambulatory Care Copayments and Hospitalizations among the Elderly, New England Journal of Medicine, January 28, 2010.** This study looked at almost 900,000 beneficiaries enrolled in various Medicare plans from 2001-2006. It was found that with increased co-pays for services resulted in fewer annual outpatient visits; however it was found that there were increased hospital admissions and increased inpatient days in the same time period which resulted in increased overall costs to Medicare plans.
- **Adverse effects of insurance cost-shifting maneuvers are not limited to PT, OT or chiropractic services. Effects of the increase in co-payments from 20 to 30 percent on the compliance rate of patients with hypertension or diabetes mellitus in the employed health insurance system, Int J Technol Assess Health Care, Spring 2005,** found that increasing co-payments reduced necessary preventive care in diabetic patients without complications.
- **High co-pays for PT make services an “illusory” benefit**
- **High co-pays prevent patients from receiving needed prescribed services**
- **High co-pays may cost everyone more in the long run**