

Fiscal impact reports (FIRs) are prepared by the Legislative Finance Committee (LFC) for standing finance committees of the Legislature. LFC does not assume responsibility for the accuracy of these reports if they are used for other purposes.

FISCAL IMPACT REPORT

SPONSOR Pirtle LAST UPDATED _____
ORIGINAL DATE 2/28/23
SHORT TITLE Physical Therapist MRI Orders BILL NUMBER Senate Bill 412
ANALYST Helms

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT* (dollars in thousands)

	FY23	FY24	FY25	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
	No fiscal impact	No fiscal impact	No fiscal impact	No fiscal impact	N/A	N/A

Parentheses () indicate expenditure decreases.

*Amounts reflect most recent analysis of this legislation.

Sources of Information

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

New Mexico Medical Board (NMMB)

Human Services Department (HSD)

New Mexico Miners Hospital (NMMH)

SUMMARY

Synopsis of Senate Bill 412

Senate Bill 412 (SB412) amends the Physical Therapy Act to include ordering magnetic resonance imaging (MRI) examinations within the definitions of the practice of physical therapy to aid in the diagnosis and treatment of physical therapy patients.

This bill does not contain an effective date and, as a result, would go into effect June 16, 2023, (90 days after the Legislature adjourns) if signed into law.

FISCAL IMPLICATIONS

Senate Bill 412 does not contain an appropriation.

SB412 is not likely to impact total MRIs requested in the state or total MRIs requiring insurance coverage because, while unavailable through a physical therapists, patients who need them are probably referred to other providers.

SB412 has minor implications for some cost savings for patients for referrals and insurance coverage of MRIs. Under current law, if a physical therapist is not expressly allowed to order an MRI when needed, it is possible a patient's insurance would not cover the cost of the MRI, creating a significant cost to the patient. However, typically physical therapists would refer a patient to a care provider who has expressed legal authority to order MRIs, which may have more secure insurance coverage but may have added a burden to a patient in both time and cost to visit an additional care provider.

Analysis from New Mexico Miner's Hospital estimates revenues from in-house MRI processing could lead up to \$60 thousand in revenue minus \$50 thousand in administrative and contractor costs of procuring additional MRIs. This is an overall roughly even impact on the operating budget but could increase hospital revenues by roughly \$10 thousand at highest, though the estimate would depend on number of in-house MRIs ordered by physical therapists.

SIGNIFICANT ISSUES

Six other states have laws that allow physical therapists to order MRIs, and most other states do not state if MRIs are or are not permitted to be ordered by a physical therapist.

Analysis from HSD notes an MRI is, importantly, usually preceded by an x-ray.

X-rays are almost always ordered prior to an MRI to evaluate an orthopedic injury. Many injuries can be evaluated effectively with an x-ray alone. Insurance agencies usually require stepwise imaging, starting with an x-ray and if the issue cannot be fully evaluated with an x-ray, allowing the practitioner to advance to an MRI. There are also times when an MRI is contraindicated (i.e., patient has a pacemaker) and then sometimes CT is chosen instead. There is no language in this bill about limiting the ordering of MRIs to orthopedic injuries or diagnoses within the PT scope of practice to treat either.

There is some concern that allowing PTs to order MRIs and not x-rays would incentivize more expensive, unnecessary imaging. Suggest allowing PTs to order x-rays instead or generalize the language to "diagnostic imaging relating to diagnosis being treated by the physical therapist."

Analysis from the New Mexico Medical Board also notes there could be clarifications around other types of imaging, such as x-rays or computer tomography (CT) scans, and whether a physician consult would be legally advisable.

ADMINISTRATIVE IMPLICATIONS

SB412 may decrease the need for physical therapists to coordinate MRI-related referrals with other care providers.

Analysis from HSD notes there would need to be an update to the New Mexico Administrative Code (NMAC). HSD analysis states:

SB412 would require HSD to update New Mexico Administrative Code (NMAC). 42 CFR 400.30 requires that the order must be under the direction of a physician or other licensed practitioner of the healing arts within the scope of their practice.

Analysis from RLD notes:

If the Board of Physical Therapy implements rules specific to medical imaging certification or examination programs, the Board of Physical Therapy would be required to submit and obtain approval of those certifications or examination programs through the medical imaging and radiation health advisory council and the Environmental Improvement Board.

CONFLICT, DUPLICATION, COMPANIONSHIP, RELATIONSHIP

SB412 may duplicate some language in the Medical Imaging and Radiation Health and Safety Act, which can include physical therapists, though it does not expressly name physical therapists. Analysis from RLD notes:

The Medical Imaging and Radiation Health and Safety Act (Act), §61-14E-1 NMSA 1978 *et seq*, was enacted in 2009. The Act established the “medical imaging and radiation health advisory council” to advise and make recommendations to the Environmental Improvement Board in the promulgation of rules and regulations to maintain and enforce the licensure standards for, in pertinent part, magnetic resonance.

The Act provides exceptions from licensure for “a health care practitioner licensed or certified by an independent board pursuant to Chapter 61 NMSA 1978 or a state regulatory body; provided that any medical imaging certification and examination program for health care practitioners established by an independent board or state regulatory body shall be submitted to the advisory council and approved by the board.”

TECHNICAL ISSUES

Because x-rays are often ordered before MRIs, or an x-ray might render a more-expensive MRI unnecessary, the language in SB412 could be amended from “ordering magnetic resonance imaging examinations to aid in the diagnosis and treatment of physical therapy patients” to generalize the language to “ordering diagnostic imaging relating to diagnosis being treated by the physical therapist to aid in the diagnosis and treatment of physical therapy patients,” as recommended by analysis from HSD.

SH/al/hg