



Legislative Council Staff

Research Note

Version: Final

Date: 5/11/2016

Bill Number

House Bill 16-1326

Sponsors

***Representatives Primavera & Willet,
Senator Crowder***

Short Title

Consumer Access To Physical Rehab Services

Research Analyst

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Status

This bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 4, 2016.

Summary

This bill sets various requirements for contracts between health insurance carriers that provide benefits for physical rehabilitation services and intermediaries that are contracted to perform certain cost and utilization management duties on behalf of a carrier. The requirements include basing coverage authorizations and medical necessity of health care determinations on generally accepted and evidence-based standards and criteria of clinical practice and disclosing that requirement and process to the carrier's policyholders. Authorizations and health care determinations must be performed by a provider who is licensed in the same health field as the requesting provider. The bill requires that care for a recurring condition only be categorized as a new episode if the same provider has not treated the policy holder within the previous 30 days. In addition, the bill prohibits the inclusion of certain provisions in contracts between a carrier and an intermediary.

Background

In order for a health care provider to receive payments, health insurance carriers may require prior authorization or medical necessity determinations for certain services, including physical rehabilitation services. Physical rehabilitation services include physical therapy, occupational therapy, or chiropractic services.

Under Colorado law, policy holders may receive a standing referral for medically necessary

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treatment from their primary care provider in consultation with a specialist. The time period for the standing referral may be up to one year.

House Action

House Public Health Care and Human Services Committee (March 22, 2016). At the hearing, representatives from a private physical therapy practice, the Occupational Therapy Association of Colorado, the Alzheimer's Association, American Physical Therapy Association, and Susan G. Komen Colorado testified in support of the bill. Representatives from Colorado Association Health of Plans, Anthem, Colorado Association of Commerce and Industry, and the Colorado Competitive Council testified in opposition to the bill.

The committee adopted amendments L.001, L.003, L.004, and L.005, and referred the bill, as amended, to the House Committee of the Whole. Amendment L.001:

- clarified the requirements for a provider that is making coverage authorization and medical necessity determinations;
- removed restrictions on contracts between the carrier and intermediary from including costs for utilization management or utilization review to be included as direct claim costs for medical care or quality improvement and requiring a provider to discount billed charges for physical rehabilitation services or products not covered under a health coverage plan, with some exceptions;
- clarified that carriers may not compensate intermediaries based on the intermediary's determination for services provided to a policy holder;
- removed the provision that created an unfair or deceptive trade practice in the business of insurance for violation of the bill; and
- added that the commissioner may adopt rules to implement the provision of the bill.

Amendment L.003 added a requirement for a mechanism to be put in place where the health care provider who provides the physical rehabilitation services communicates the services that are actually provided to the policy holder to the prescribing health care provider. Amendment L.004 added a definition of physical rehabilitation services. Finally, amendment L.005 requires disclosure to a carrier's policy holders and providers of coverage and cost-sharing responsibilities for complex decongestive therapy as a covered physical rehabilitation service.

House second reading (March 28, 2016). The House adopted the House Public Health Care and Human Services committee report, and Amendment No.2. Amendment No. 2 added definitions of physical rehabilitation services, utilization management, and utilization review to the bill. The House passed the bill on second reading, as amended.

House third reading (March 29, 2016). The House passed the bill on third reading with no amendments.

Senate Action

Senate State, Veterans, and Military Affairs Committee (May 4, 2016). The committee postponed the bill indefinitely.



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Relevant Research

Cost of Rehabilitation Services, Colorado Department of Public Health and Environment, October 15, 2015. <http://1.usa.gov/1TRW8Pw>.