

AUDREY WALDRON TESTIMONY BEFORE HOUSE HEALTH, INSURANCE AND ENVIRONMENT COMMITTEE, Feb. 5, 2015

SUPPORT HB 15-1083

Madam Chair, Members of the Committee, Representative Primavera:

My name is Audrey Waldron – I am a Doctor of Physical Therapy and I own a Physical therapy private practice with clinics in Boulder and Golden. I am chair of the private practice interest group and member of the board of directors of the Colorado Chapter of the American Physical Therapy Association. There are 5,200 licensed physical therapists in our state and approximately 200 freestanding outpatient PT clinics.

I am here today to speak in support of HB 15-1083 that will improve consumer access to affordable physical rehabilitation services. We are supporting this legislation to limit the disproportionate amount that our consumers are paying in their co-payments for rehabilitation services. In many commercial health insurance contracts, the physical therapist is classified under the “specialist” designation, which from a fiscal perspective, increases the financial burden to the patient. Most other health care specialists, such as an orthopedist or dermatologist, are seen at significantly less frequent intervals than that required in contemporary physical therapy care. The amount individuals are required to co-pay for physical therapy services often exceeds the reimbursement paid by the plan to the provider of care. For example, recently I was working with a teacher in the Boulder school system. As you are well aware, teacher salaries are certainly not significant. She has an auto immune disorder and several other musculoskeletal conditions for which she is attempting to manage as conservatively as possible. Her copay for a physical therapy session is \$55. Anthem's remaining portion of my bill is \$15. Financially, she is being limited in her ability to work on managing her chronic conditions in a cost effective manner due to the high percentage of cost sharing. In this scenario the consumer's portion is 79% and the insurance company is 21%. She does have an insurance policy!

This cost shifting by the insurance industry has led to consumers like this teacher opting to reduce the frequency of care or forgo medically necessary care altogether. We, as physical therapists, know this will in turn lead to greater increases in overall health care costs. When I started my career in health care in 1990, it was just before managed care was implemented. I have seen the transition from a period of time when there was a tendency for individuals to over use healthcare. I believe components of managed care were beneficial for ensuring individuals were not receiving all care carte blanche and they had to share in the costs for some of their

services above their premiums. However, over the years there has been a tremendous shift in how much the consumers are paying out of their pocket and it is no longer a cost sharing, but a cost shifting primarily to the consumer.

Our organization has surveyed our patients and greater than 50% are reporting that they have chosen not to complete the prescribed number of visits due to costs out of their pocket and 70% have reported that personal costs of accessing care has negatively impacted their overall health condition. We do not have concrete data on how many are actually choosing **never** to make their first appointment due to the additional personal costs beyond paying for their premiums.

A survey of our private practitioners revealed that 81.5% of practitioners were experiencing a reduction in the number of individuals accessing physical therapy services due to high co pays. This issue not only affects an individual's ability to access care, but it also affects physical therapy small businesses in being able to keep their doors open. We had a similar piece of legislation last year that passed out of both the House and the Senate. Our only opposition was the insurance industry that testified, "This bill will unequivocally raise insurance premiums for small businesses." Well, even though the bill was vetoed, my small business plan premium for my employees increased 34.6%!! Physical therapy in the state of Colorado is on average 1-3% of the total healthcare costs. Limiting the cost shift and improving the cost sharing for the consumer is NOT the reason for the increase in insurance premiums we have seen.

Five other states have passed similar legislation. I hope the Colorado General Assembly will continue to be amongst the leaders in protecting the people's ability to access affordable health care, specifically in the health and wellness components of physical therapy, which my esteemed colleagues will further elaborate upon.

I sincerely thank you for your consideration of this very important piece of legislation and for allowing me the opportunity to speak to you today. I ask you to vote YES on HB 1083.

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