



Kaiser Foundation Health Plan of the Mid-Atlantic States, Inc  
2101 East Jefferson Street  
Rockville, Maryland 20852

March 2, 2022

The Honorable Delores G. Kelley  
Senate Finance Committee  
3 East, Miller Senate Office Building  
11 Bladen Street  
Annapolis, Maryland 21401

**RE: SB 725 – Letter of Information**

Dear Chair Kelley and Members of the Committee:

Kaiser Permanente appreciates the opportunity to provide comments for SB 725, Health Insurance – Physical Therapy – Copayments, Coinsurance, and Deductibles.

Kaiser Permanente is the largest private integrated health care delivery system in the United States, delivering health care to over 12 million members in eight states and the District of Columbia.<sup>1</sup> Kaiser Permanente of the Mid-Atlantic States, which operates in Maryland, provides and coordinates complete health care services for approximately 800,000 members. In Maryland, we deliver care to over 460,000 members.

The bill prohibits carriers from imposing a copayment, coinsurance, or deductible for covered physical therapy services that is greater than the copayment, coinsurance, or deductible imposed for a primary care visit under the same plan or contract.

Kaiser Permanente would like to note that mandated health benefits or cost sharing add to the cost of health insurance premiums. As it relates to plans in the small group and individual markets, a member's cost sharing is governed by the plan's metal tier (e.g., silver, bronze). So, lowering the cost share of any service in those plans means that the actuarial value of that plan increases. Since carriers must keep plans within a narrow actuarial value range for each metal tier, reducing the cost sharing for one service increases the likelihood that a carrier must raise the copay on another service.

Section 15-1501 of the Insurance Article requires the Maryland Health Care Commission to evaluate the social, medical, and financial impacts of proposed mandated health insurance services and report annually to the General Assembly by December 31. As this bill proposes a mandate related to cost sharing, we recommend that the General Assembly refer this mandate to MHCC for review in lieu of passing SB 725 this session. Through that process, we would

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<sup>1</sup> Kaiser Permanente comprises Kaiser Foundation Health Plan, Inc., the nation's largest not-for-profit health plan, and its health plan subsidiaries outside California and Hawaii; the not-for-profit Kaiser Foundation Hospitals, which operates 39 hospitals and over 650 other clinical facilities; and the Permanente Medical Groups, self-governed physician group practices that exclusively contract with Kaiser Foundation Health Plan and its health plan subsidiaries to meet the health needs of Kaiser Permanente's members.

Kaiser Permanente  
Comments on [Bill Number]  
[Date of Hearing]

welcome the opportunity to work with stakeholders to address issues related to access to physical therapy services.

Thank you for the opportunity to comment. Please feel free to contact me at [Allison.W.Taylor@kp.org](mailto:Allison.W.Taylor@kp.org) or (202) 924-7496 with questions.

Sincerely,

A handwritten signature in dark ink that reads "Allison Taylor". The signature is written in a cursive, flowing style.

Allison Taylor  
Director of Government Relations  
Kaiser Foundation Health Plan of Mid-Atlantic States, Inc.