APTA Maryland

Our Vision
Transforming the diverse communities in Maryland to advance health and wellness by optimizing movement and function across the lifespan.

February 12, 2025

The Honorable Pam Beidle, Chair
Senate Finance Committee
3 East Miller Senate Office Building
Annapolis, Maryland 21401

RE: Senate Bill 474 - Health Insurance - Adverse Decisions - Reporting and Examinations
Position: SUPPORT

Dear Chair Beidle,

The American Physical Therapy Association Maryland is writing to register our strong support of **Senate Bill 474**. This bill will require *"certain carriers, if the number of adverse decisions issued by carrier for a type of service has grown by more than 10% in the immediately preceding calendar year or 25% in the immediately preceding 3 calendar years, to provide certain information to the Maryland Insurance Commissioner; and authorizing the Commissioner to use certain adverse decision information as the basis of a certain examination."*

The 2021 Report on the Health Care Appeals and Grievances Law (released December 1, 2022) reports that carriers rendered 81,143 adverse decisions (e.g., denials of health care services based on the carrier's decision that the health care service was not medically necessary rather than the judgment of the treating practitioner).

In 2022, the Maryland Insurance Administration (MIA) modified or reversed the carrier's decision (or the carrier reversed it during the course of investigation), 72.4% of the time on filed complaints, up from 70.5% in 2021. This means that in more than 7 out of 10 cases, the MIA ruled that the carrier was wrong, and that the patient should have received the health care service.

The 2021 American Medical Association conducted a survey on the impact that prior authorizations have on physicians and patients and found that:

- 93% of the time physicians reported delays in access to necessary care.
- 82% of the time physicians reported that patients abandoned their recommended course of treatment because of prior authorization denials.
- 73% of the time physicians reported that criteria used by carriers for determining medical necessity is questionable - 30% of the time physicians reported that it is rarely or never evidence-based and 43% only sometimes evidence-based.

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APTA Maryland
A Chapter of the American Physical Therapy Association

The Data –Ultimate Outcome of Physical Therapy Denied Claims

- *13.08% of filed physical therapy claims are denied*
- *66.14% of denied physical therapy claims are appealed*
- *52.34% of appealed physical therapy claim denials are overturned*

The American Physical Therapy Association (APTA) conducted a survey on administrative burden from Dec 2018-Jan 2019. APTA members report that medically necessary physical therapist services are delayed — ultimately impacting patients' clinical outcomes — because of the amount of time and resources they must spend on documentation and administrative tasks. The volume of these tasks also leads to dissatisfaction and burnout. APTA urges policymakers and third-party payers to advance policies that streamline documentation requirements, standardize prior authorization and payer coverage policies, and eliminate unnecessary regulations.

- 85.2% of providers agree or strongly agree that administrative burden contributes to burnout.
- 74% of respondents agreed or strongly agreed that prior authorization requirements negatively impact patients' clinical outcomes.
- 76% of facilities and private practice owners have added nonclinical staff to accommodate administrative burden.
- 65% of respondents say more than 30 minutes of staff time is spent preparing an appeal for one claim.

For the reasons noted above we ask for a favorable report on Senate Bill 474.

Sincerely,

Roy Film

Roy Film, PT, DPT, MPT
President, APTA Maryland