FIRST REGULAR SESSION

HOUSE BILL NO. 298

99TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE LICHTENEGGER.

0965H.01I D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 376, RSMo, by adding thereto one new section relating to physical therapy.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 376, RSMo, is amended by adding thereto one new section, to be known as section 376.1236, to read as follows:

376.1236. 1. As used in this section, the following terms mean:

(1) "Covered person", a person on whose behalf a payer or payer's agent is obligated to pay benefits or provide services in accordance with a health benefit plan;

(2) "Covered physical therapy services", services that are:

(a) Delivered by or under the direction and supervision of a physical therapy provider to a covered person; and

(b) Payable to the physical therapy provider;

(3) "Health benefit plan", the same meaning given to such term in section 376.1350;

(4) "Health carrier", the same meaning given to such term in section 376.1350;

(5) "Medicare physician fee schedule", the Medicare physician fee schedule established under 42 U.S.C. Section 1395w-4;

(6) "Minimum payment schedule", the minimum payment schedule established under this section that provides the minimum payment amount for covered physical therapy services provided by a physical therapy provider in accordance with any health benefit plan;

(7) "Physical therapy provider", a physical therapist licensed in accordance with the provisions of sections 334.500 to 334.687;

EXPLANATION — Matter enclosed in bold-faced brackets **[**thus**]** in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

(8) "Selective contracting arrangement", an arrangement in which a health carrier or organized delivery system participates in selective contracting with one or more physical therapy providers, and which arrangement contains reasonable benefit differentials including, but not limited to, predetermined fee or reimbursement rates for covered physical therapy services applicable to participating and nonparticipating physical therapy providers.

2. Notwithstanding any provision of law to the contrary, with respect to any health benefit plan delivered, issued, executed, or renewed in this state, or approved for issuance or renewal in this state:

(1) Beginning January 1, 2018, and continuing thereafter, reimbursement to a physical therapy provider for any covered physical therapy services delivered under a health benefit plan shall be at a rate that is not less than the minimum payment schedule. Nothing in this section shall prevent reimbursement at a rate higher than the minimum payment schedule in accordance with a selective contracting arrangement; and

(2) For covered physical therapy services provided in calendar years 2018 and 2019, the minimum payment schedule shall be based on rates that are one hundred thirty percent of the Medicare physician fee schedule in effect for the period beginning January 1, 2017, using the single conversion factor for calendar year 2016 as established under 42 U.S.C. Section 1395w-4(d). The minimum payment schedule shall be updated biennially effective January first of each odd-numbered year. For each biennial update, the minimum payment schedule shall be based on rates that are one hundred thirty percent of the Medicare physician fee schedule established in the preceding odd-numbered year, using the appropriate year's conversion factor as updated based on the percentage increase in the Medicare economic index as defined in 42 U.S.C. Section 1395u(i)(3). Any new procedural codes for physical therapy added after 2017 shall base the rates for such codes at one hundred thirty percent of the Medicare physician fee schedule in effect for the period beginning January first of the calendar year in which the new procedural code was added.

3. The minimum payment schedule provided for under this section shall not apply to covered physical therapy services that are delivered as a course of treatment or care in a hospital inpatient setting, hospital outpatient clinic, skilled nursing facility, or home health benefits delivery system, if reimbursement by the health carrier for the covered physical therapy services is made directly to the hospital, hospital outpatient clinic, skilled nursing facility, or home health benefits delivery system.

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