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CONNECTICUT PHYSICAL THERAPY ASSOCIATION

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Testimony of Carl Mailhot Chair, Public Policy Committee CT Physical Therapy Association

**in support of
H.B. No. 5244 (RAISED)
AAC ANNUAL REPORTS FILED BY THIRD-PARTY ADMINISTRATORS.**

**Before the Joint Committee on Insurance & Real Estate
February 25, 2014**

Chairperson Crisco, Chairperson Megna, Members of the Insurance & Real Estate Committee. My name is Carl Mailhot and I am the Chairman of the Public Policy Committee of the Connecticut Physical Therapy Association. I am a physical therapist and the Executive Director of the Eastern Connecticut Rehabilitation Centers (ECRC) Physical Therapy with four offices in Windham and New London counties.

I am here today to testify on behalf of the CPTA in support of proposed amendments to H.B. No. 5244 (RAISED) AN ACT CONCERNING ANNUAL REPORTS FILED BY THIRD-PARTY ADMINISTRATORS, to address a consumer concern associated with third party administrators.

Several Connecticut Insurers are using third party companies to manage their orthopedic claims. Our members have expressed significant frustration at some of the business practices they have uncovered. These include the following:

These companies are third party administrators or “specialty benefit management companies” yet are holding themselves out as the provider of therapy services. The patient’s “Explanation of Benefits” (EOB) lists these companies as the provider of therapy services, yet no one from the company has seen a patient. This is false, misleading and often confusing for the patient.

The administrative cost for this service is built into the cost of the PT visit, before a patient’s co-insurance is paid. For example, a \$65 visit with a 20% coinsurance would normally result in a \$13 coinsurance fee for the patient. When the patient is charged, however, the administration fee is included and they are often charged \$17 or \$18. This is costing Connecticut consumers thousands of dollars per year. We are concerned that this appears to be a direct violation of 38a-478j.

Thank you for your consideration of this matter.