

Health Coverage, Insurance and Financial Services Committee

Re: LD 1785

I would encourage the HCIFS committee to strongly consider passage of LD 1785 to the full legislature. I have owned and operated my private PT practice in Gorham for the last 13 years. During that time, I have not had any increase in reimbursement by any of the carriers. In fact, my contract with Cigna began in 2012 with \$127 per visit and a few years later when ASH took over, it dropped to \$92.

I recently had to find an associate PT and in doing so ran productivity reports for my clinic back to 2016. I discovered that my per visit reimbursement has declined several dollars over that time period. Conversely, my cost of doing business has increased significantly. Rent increases 5% per year which is standard leasing in Southern Maine. Electricity and heating costs and internet costs have all increased as well. My EMR system is more expensive every year as well as office supplies and PT equipment. Everything has gone up in price such is the norm and I get that, but I cannot put that extra cost onto my patients like many businesses can. I am in a contractual agreement with the carriers with no negotiating power.

The largest increase of course is salaries. While it is wonderful for the profession to have physical therapists making more money, as a business owner, I am having a difficult time finding a replacement as the salaries have increased greatly. Just in the two years since I hired my last PT, salaries have increased by \$10K to \$15K. That is a 12% to 18% increase to the bottom line of small business. My health insurance coverage increases at least 8% to 10% a year as well.

For years the hospital-based clinics have been paid 50% to 75% more than small practices for the same services. Difficult to understand these economics except they can afford to hire lawyers to assist them in negotiating better reimbursement.

This bill would go a long way to making the playing field a little more level. More importantly it will allow small practices like mine to sustain in this market place.

I am 57 years old and 32 years into my profession. I love what I do but as I crunch the numbers, I am afraid that practices like mine will become “dinosaurs”. With reimbursement staying static or declining while every other business expense increases, then small practices will go by the wayside. New physical therapists entering the profession may not have the ability to open practices that better serve their communities. I encourage the committee to move LD 1785 forward to a full legislative vote.

Respectfully, Michael Smith, MSPT, ATC

Gorham, Maine

Michael Smith
Gorham
LD 1785

please read attached file.

Thank you