

**To: Senate Finance Committee**

**Recommendation**

**Re.** H. 585 - Section 7; Site-Neutral Billing

**From:** Sharon Gutwin

**Date:** May 1, 2026

**Present Language...**

“§ 9423. SITE-NEUTRAL REIMBURSEMENT FOR PHYSICAL THERAPY, OCCUPATIONAL THERAPY, AND ATHLETIC TRAINING Each health plan shall establish and pay for all physical therapy, occupational therapy, and athletic training items and services provided to its insureds in reimbursement amounts that are uniform and consistent across all of the health plan’s contracts and fee schedules, except that a plan may reimburse different amounts for items and services that are delivered in an inpatient setting. Health plans shall express each reimbursement amount as a percentage of the Medicare rate for the same item or service.”

**Recommended language to add to H.585...**

***As a condition of receiving payment under site-neutral billing, an applicable provider shall be enrolled as a participating provider in Medicare and in the Medicaid program.***

**Reasoning...**

Hospitals and most independent providers participate in Medicare and Medicaid, but not all. Reimbursement under these programs is typically below the cost of delivering care, with commercial insurance payments helping to offset the shortfall. To align with the goals of site-neutral billing, this bill should ensure that independent providers do not benefit from higher payments without also supporting access for Medicare and Medicaid beneficiaries.