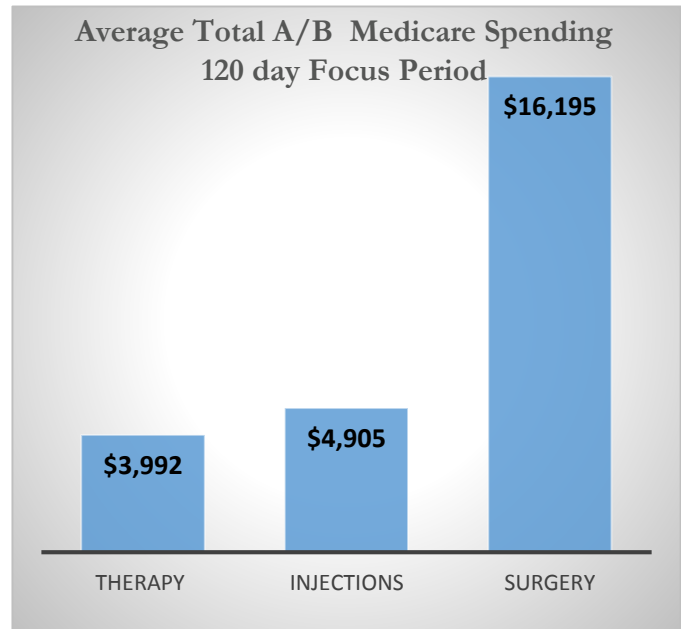


Executive Summary of Low Back Pain Study-May 2017

For Low Back Pain, Physical Therapy Saves Medicare Money

The study provides important evidence that the use of physical therapy early in care of low back pain leads to reduced costs through less utilization of other types of healthcare services, including reduced use of downstream injections and surgeries, among others. The Alliance for Physical Therapy Quality and Innovation (APTQI) engaged The Moran Company (TMC) to assess different initial treatment interventions and their costs for low back pain, within the Medicare program. The analysis provides a comprehensive accounting of Medicare Parts A and B program spending for a population of beneficiaries based on the initial treatment intervention received following diagnosis. Using nationally representative Medicare claims datasets across multiple sites of service, tabulations of total Medicare A/B spending on average for groups of beneficiaries with an incident lumbago (low back pain) diagnosis who received physical therapy first, injections first or surgeries first. The findings from this report signal possible advantages of physical therapy as a potential cost saver relative to other treatment interventions for low back pain. These results lend promising support for the role of physical therapy early in the care continuum from a cost perspective.



Physical Therapy Benefits



Total Medicare A/B spending on average for beneficiaries who receive therapy as the first treatment option...

- ~19% less Medicare A/B spending for beneficiaries who receive injections first
- ~75% less spending observed for beneficiaries who received surgery first

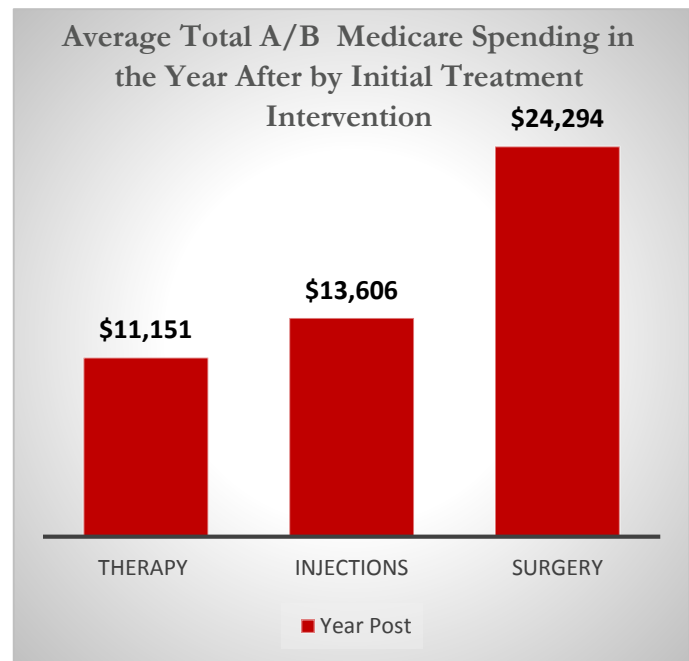


Beneficiaries who receive therapy within the first 15 days, compared to 45-90 days after being diagnosed, are observed to have downstream costs that are ~27% lower on average



In the year following diagnosis, the difference in average spending was approximately

- 18% savings compared to beneficiaries who received injections
- 54% savings compared to beneficiaries who received surgery



Beneficiaries, newly diagnosed with low back pain, and receive physical therapy (PT) as a first line treatment option have lower total Medicare A/B costs than when they receive injections or low back pain related surgeries. When beneficiaries with low back pain do receive physical therapy, average total Medicare costs are also observed to be lower when therapy begins within the first 45 days of diagnosis.