

**Physical Activity Alliance in Collaboration with Tivity Health  
Roundtable on Benefit Design for Supervised Exercise Therapy/Physical  
Activity**

Alston & Bird LLP  
950 F Street NW, Washington, DC 20004  
9 a.m.-2 p.m.  
Wednesday, December 11

**High Level Summary**

**Opportunities Identified**

**1. Reimbursement Pathways:**

- In Medicare, expansion of supervised exercise therapy (SET) could follow models like cardiac rehab, pulmonary rehab or peripheral artery disease (PAD) pathways.
- Need to continue to explore opportunities with private and public payers for coverage of evidence-based programs beyond DPP.
- Exploring alternative benefit designs under Medicare Advantage, 1115 waivers. HSA/FSA eligibility also provide opportunity to pay for fitness benefits.
- Also opportunities in commercial insurance market, especially with self-insured employers.

**2. Ecosystem Design:**

- A broad "continuum of care" model that integrates clinical and community-based providers, including physical therapists and exercise physiologists.
- A tiered approach to programs (lightweight for prevention to structured for chronic conditions) to scale effectively.

**3. State-Level Pilots:**

- Models like Wisconsin's prevention networks or North Carolina's EHR pilot with Epic can demonstrate success and scalability.

**4. Functional Outcomes:**

- Prioritizing improvements in functional performance (e.g., fall prevention) as measurable, impactful outcomes with strong cost-effectiveness.
- Building on evidence of cost savings and reduced health risks in older adults.

**5. Employer and Commercial Plans:**

- Employers are increasingly interested in ROI for fitness benefits; Demonstrating cost-effectiveness and understanding ideal incentive design can build traction for adoption and impactful outcomes.

## **Challenges Identified**

### **1. Medical Necessity:**

- Distinguishing between "supervised exercise therapy" for inactivity vs. physical therapy for acute rehabilitation.
- Ensuring clear medical necessity definitions for prevention and chronic disease management.

### **2. Reimbursement and Payment:**

- Overly complex requirements (like the Medicare DPP model) can deter participation.
- Need to identify the areas where we need statutory authority for effective coverage under Medicare for supervised exercise therapy and evidence-based programs while balancing costs in a fiscally conservative environment.

### **3. Access and Scaling:**

- Ensuring services are accessible to all, particularly through community-based settings with clinician referrals.
- Avoiding overly rigid program structures that reduce participation or scalability.

### **4. Measurement Standards:**

- Functional outcome metrics must align with prevention and treatment goals (e.g., go beyond low thresholds like walking 50 feet).

### **5. Legislative and Regulatory Barriers:**

- Potential hurdles under the post-Loper Bright ruling for regulatory pathways vs. legislative mandates.
- Concerns around static CBO scoring that fails to capture long-term savings.

## **Next Steps**

### **1. Continue to Clarify Benefit Design:**

- Define program scope, duration, and levels of supervision (e.g., synchronous, in-person, or hybrid delivery).
- Create a framework for clinician referrals that supports integration with existing systems.

### **2. NCD request on fall risk prevention**

- 3. Connect Welld Health work in Wi to NC Collaborative**
- 4. Explore reimbursement pathways in Medicaid**
- 5. Further refine where we need statutory authority for coverage in Medicare and Medicaid**
  - Pursue a legislative approach to mandate coverage, while exploring interim pathways (e.g., regional MAC pilots).
  - Monitor opportunities tied to obesity medications, given their reliance on complementary physical activity.
- 6. Pilot Programs for PCORI, CMMI or other funding:**
  - Advance pilot efforts in states like North Carolina, Wisconsin, and with self-insured employers to demonstrate ROI and cost-effectiveness.
- 7. Legislative Advocacy:**
- 8. Measure Functional Outcomes:**
  - Strengthen data collection and align metrics with meaningful improvements (e.g., reduced falls, functional health gains).
- 9. Expand Access Through HSAs/FSAs:**

Advocate for expanded use of tax-deferred health savings for fitness benefits as a low-cost option.