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Managing Injury Losses by Fighting Runaway Medical Costs

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A black and white photograph of a classical marble column, likely from a government building, with a blue text box overlaid on the left side. The column features a capital with decorative elements and a shaft with horizontal fluting. The text 'Federal Trends' is written in white, bold, sans-serif font within the blue box.

Federal Trends

2026 Congressional Healthcare Agenda



Affordability and ACA Pressures

ACA premium tax credits expired in 2025, driving major premium increases and expected coverage losses



Medicare & Medicaid Extenders

Congress passed a major package: Medicaid eligibility protections, DSH updates, Medicare payment adjustments, rural add-ons and support for low-income beneficiaries



PBM Reforms

New federal standards: elimination of spread pricing, full rebate pass through, strict reporting, audits, and penalties – bipartisan reform area.



Public Health and Federal Funding

FY 2026 HHS Budget: \$116.8B, protecting CDC, HRSA, SAMHSA, AHRQ and boosting NIH by ~\$1B plus extensions for community health centers.



Legislative Proposals to Watch

Health Care Fairness for All Act (H.R. 3080): proposes universal tax credits, HAS reforms and elimination of employer/individual mandates.

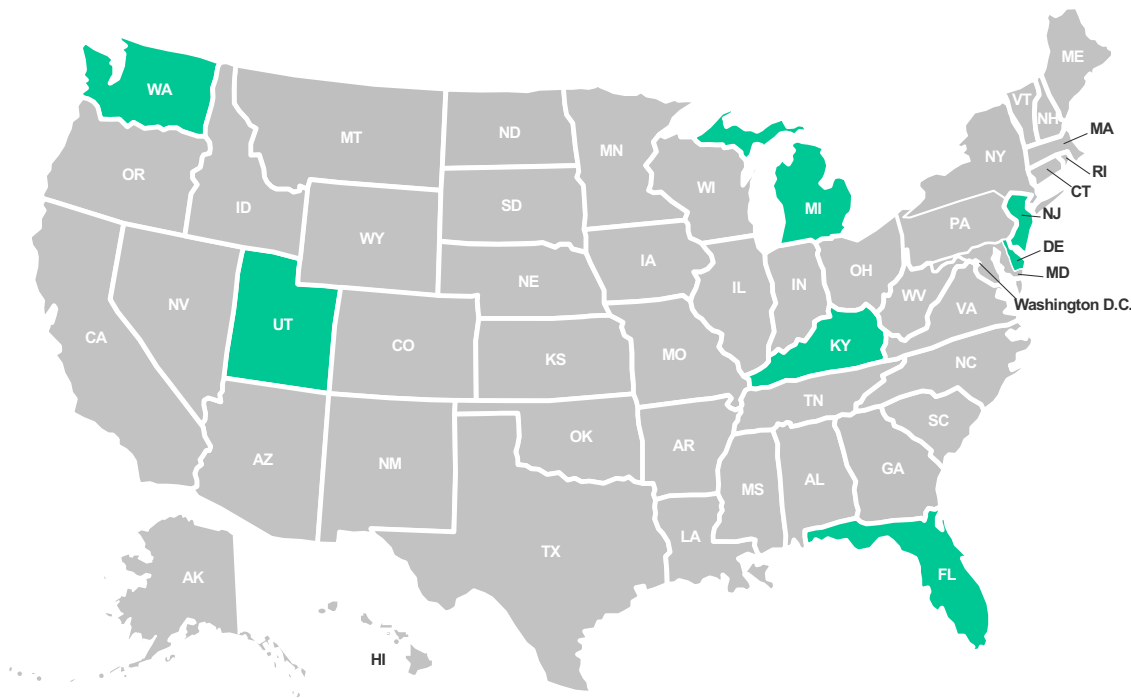


Political and Judicial Environment

Coverage rollbacks and affordability crisis from 2025 reforms continue to 2026. Courts upheld ACA preventive services but enabled state restrictions.

Stand out Implication for P&C: Combination of increased uninsured rates and greater cost-shifting into P&C insurance, will drive medical inflation and higher claims severity

Focus States – Regulatory & Litigation



Enlyte Lobbying States: Florida, Arizona, Missouri, Michigan, Georgia, & New Jersey

Florida

- Litigation cases

New Jersey

- PIP Fee Schedule under review by DOBI awaiting publication in the NJ Register

Michigan

- Supreme Court continues to hear high-impact No-Fault cases
 - One year back rule
 - Fraud
 - Subrogation

Kentucky

- HB 627 – Kentucky PIP Fee Schedule
- SB 195 – Legal Liability Reform (Tort Reform)

Utah

- Gardner v. Norman – Utah Supreme Court
- SB 211 – Tort Amendments

Delaware & Maryland

- Potential PIP Fee Schedule

Washington

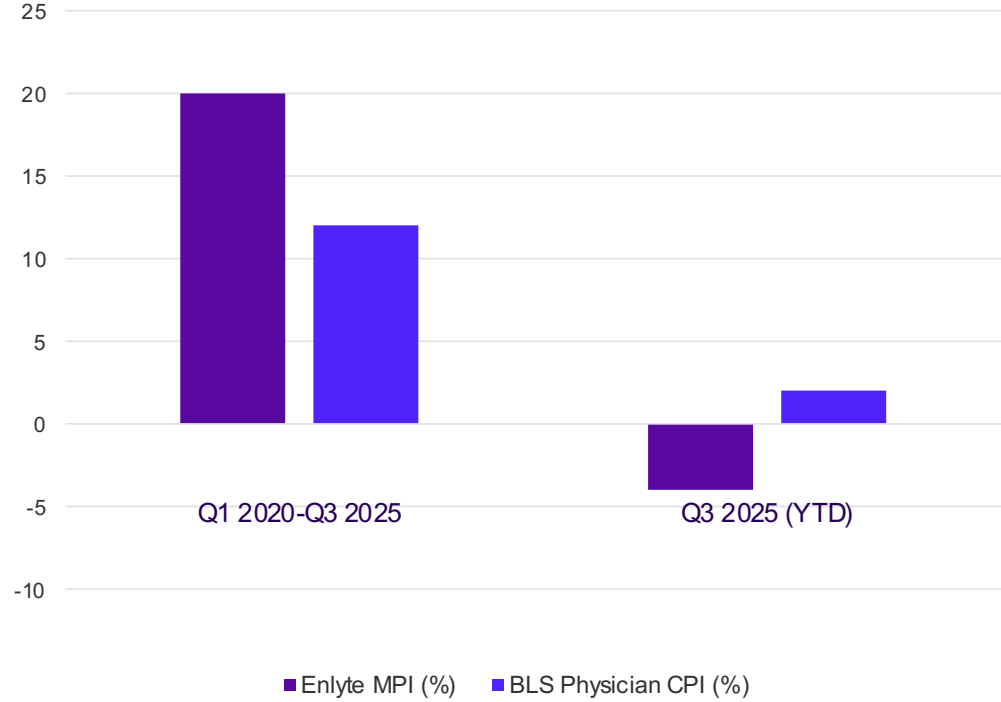
- OIC - Proposal to Clarify Unfair Claims Handling Practices

Third Party

*Charges inflate while allowed
compress, shifting risk to
settlement*

Third Party Medical Price Index (MPI)

National Inflation



Q1 2020-Q3 2025

Physician charge per unit (Enlyte MPI) has **increased 20%**

The Bureau of Labor Statistics Physician Consumer Price Index has **increased 12%**

Q3 2025 Year to Date

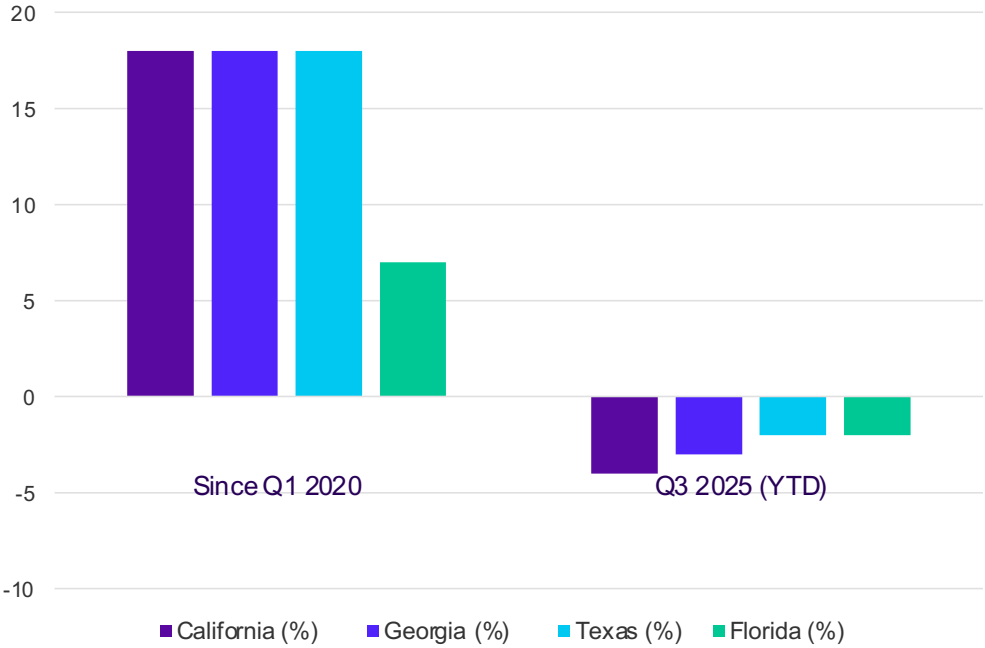
Enlyte MPI **decreased 4%**

BLS Physician Services CPI **increased 2%**



Third Party Medical Price Index (MPI)

State Inflation



Q1 2020 – Q3 2025

The physician charge per unit (Enlyte MPI) **has increased 18%** in California, Georgia and Texas, and **7%** in Florida

Q3 2025 Year to Date

The Enlyte MPI **decreased 4%** in California, **2%** in Texas, **3%** in Georgia and **2%** in Florida



Findings in 3rd Party

Texas, Florida, and California account for more than 50% of provider charges reviewed in 3rd party claims

Charge Inflation Significantly Outpacing Allowed Amount Growth

Florida - Demonstrates declines in allowed per claimant across Physical Medicine & Rehabilitation and Diagnostic Radiology despite charge Increases

- **National charge inflation:** 22.5% increases in charge per claimant outpaces the 5.4% growth in allowed
- **Florida pricing:** 26-30% decline in allowed per claimant while volume surges 45-50%
- **State variances:** Texas diagnostic radiology increased in claimant growth (40%) and in charges

National Injury Analysis

Most Influential Injury Types

Soft Tissue Injury

- \$8 billion in total charges annually
- 500,000 claimants annually
- 30% increase in charges per claimant since 2022
- 13% increase in units/frequency since 2022
- Key Concern: Highest rate of charge inflation across all major injury categories

Musculoskeletal System & Connective Tissue Diseases/Disorder

- \$5.5 billion in total charges annually
- 230,000 claimants annually
- 22% increase in charges per claimant since 2022
- 8% increase in units/frequency since 2022
- Key Concern: Highest cost per claimant with decrease in settlement/negotiated amounts (-2%)

National Injury Analysis

Most Influential Service Groups

Physical Medicine and Rehabilitation Evaluations

- \$2.5 billion in total charges annually
- 600,000 claimants annually
- 14.3% increase in charges per claimant since 2022
- 3% increase in units/frequency since 2022
- Key Concern: Decrease in settlement/negotiated amounts (-7.0%)

Office or Other Outpatient Services

- \$1.5 billion in total charges annually
- 675,000 claimants annually
- 34% increase in charges per claimant since 2022
- 10% increase in units/frequency since 2022
- Key Concern: Extreme charge increases per unit increase +22%

Compare/Contrast – Key Findings

Florida v. Texas – Service Groups

Service Group	State	Charge Claimant – Change	Allowed Claimant-Change	Gap
Physical Medicine & Rehab	Texas	+10.2%	-5.4%	15.6 pts
	Florida	-1.5%	-26.5%	28.0 pts
Diagnostic Radiology	Texas	+23.1%	+22.3%	0.8 pts
	Florida	+5.3%	-30.2%	35 pts

- Tort reform reduces excessive liability costs, helping stabilize medical malpractice pressures and reducing defensive medicine --- key drivers of cost and utilization in radiology and physical medicine

Source: The Perryman Group, The Economic Benefit of Tort Reform on Property and Casualty Insurance Rates in Florida – February 2026

Florida Reform

HB 837 – Civil Remedies – 5 Key Takeaways

- Introduces a **50% fault bar**, preventing recovery when plaintiffs are more than 50% at fault
- Caps exposure by ensuring insurers **cannot be liable beyond policy limits**
- Requires **real, verifiable medical costs** using actual amounts paid and proper billing forms
- Reforms major cost drivers including **Letters of Protection, attorney fee multipliers, and one-way attorney fees**
- Aims to create a **transparent, fair, data-driven claims process** to reduce excessive verdicts and consumer premium impacts



Experimental Treatment Trends

Emerging Technologies, Services & Procedures

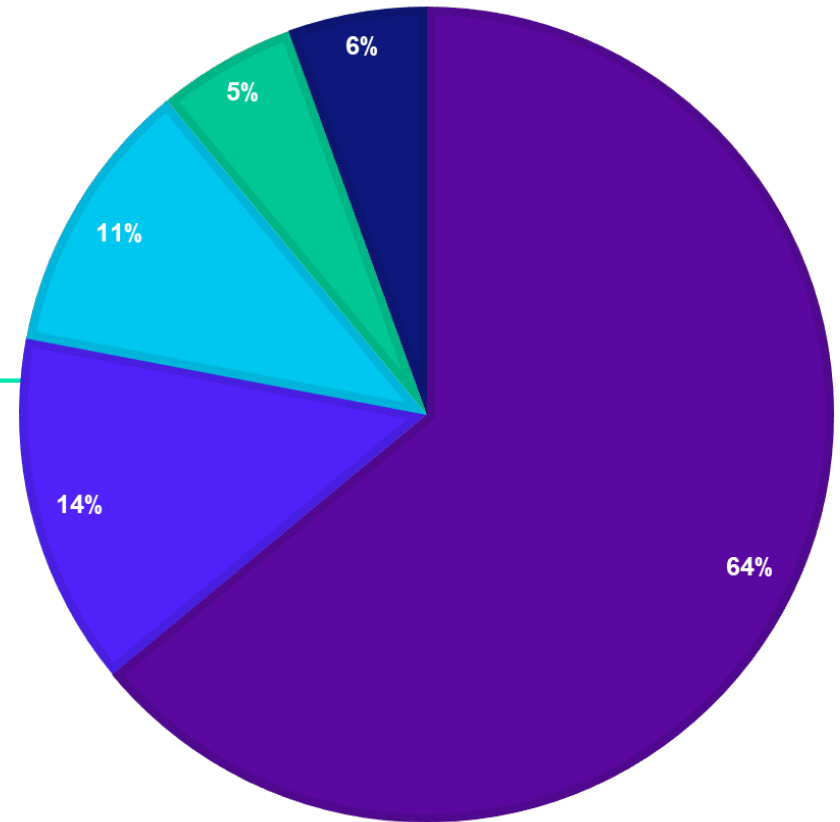
Used to track and evaluate new medical technologies

- Temporary Reporting (XXXXT), five-year cycle of review for conversion into permanent reporting codes
- Do not guarantee reimbursement but allow for data collection, payer discretion.
- Encourages Innovation
- Main use is **research and clinical trial** tracking
- ~250 Codes, 40 added for 2025

2024 Enlyte Data

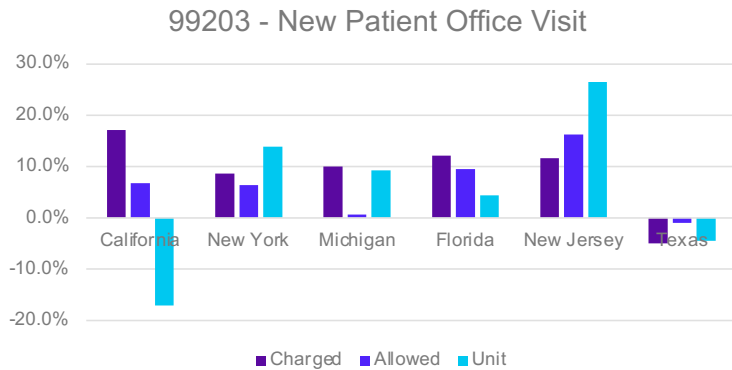
- ~\$400M in charges
- Top 5 represent 90% of P&C, overall, 35% paid
 - 0101T – ECSWT – Extracorporeal Shockwave Therapy
 - 0232T – PRP – Platelet Rich Plasma Injection
 - 0552T – Low level laser therapy – thermokinetic
 - 0275T – Percutaneous Laminotomy/laminectomy: lumbar
 - 0219T – Placement intrafacet implant: cervical
- 92% billed from FL, MI, CA, GA, NY

■ Florida ■ Michigan ■ California ■ Georgia ■ New York

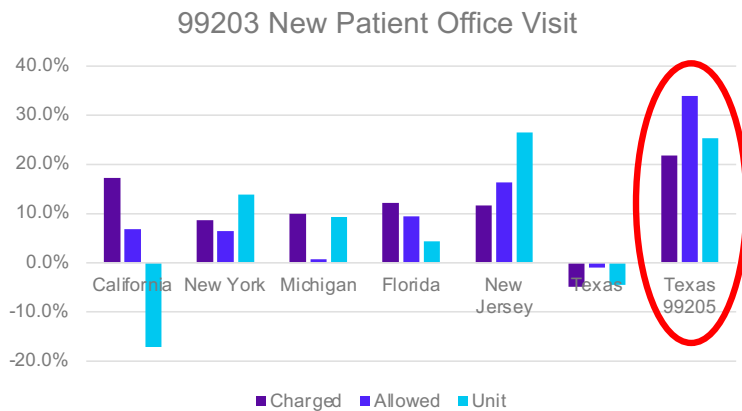


Billing Differences – state to state & procedure to procedure

99203: New Patient Office Visit-Intermediate Price Index since 2024



- 99203 – Highest volume new patient visit nationally, but varies by state
- Utilization varies from state-to-state based upon new car accidents (new visits), or...
- Utilization can vary depending on payment allowed, cost shifting to higher level service like **99205**

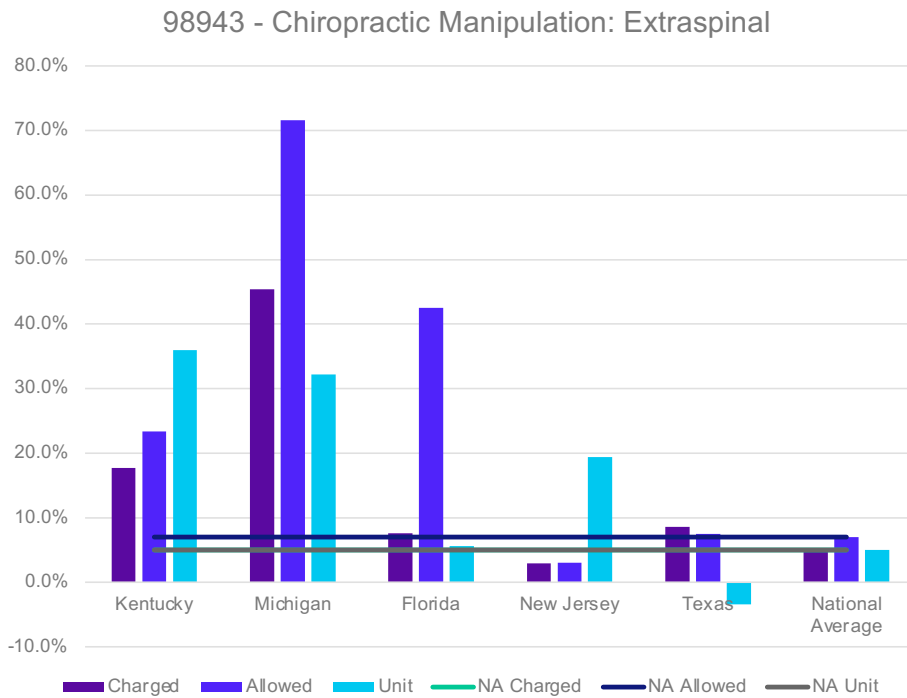


Index increase in prices since 2024 (2 years)

State	Charged	Allowed	Unit
California	17.2%	6.8%	-17.1%
New York	8.7%	6.4%	13.9%
Michigan	10.0%	0.7%	9.3%
Florida	12.2%	9.5%	4.4%
New Jersey	11.7%	16.3%	26.5%
Texas	-4.9%	-1.0%	-4.5%
Texas 99205	21.8%	33.9%	25.3%

98943: Chiropractic Manipulation – extraspinal

Price Index since 2024



- **98943** – Highest level of **CMT manipulation** and on the rise in frequency and cost in many states
- Utilization varies from state-to-state based **scope of practice, policy limits and environment**
- Left unchecked from a utilization standpoint the frequency rises, market rates rise, Medicare rises based on customary charges

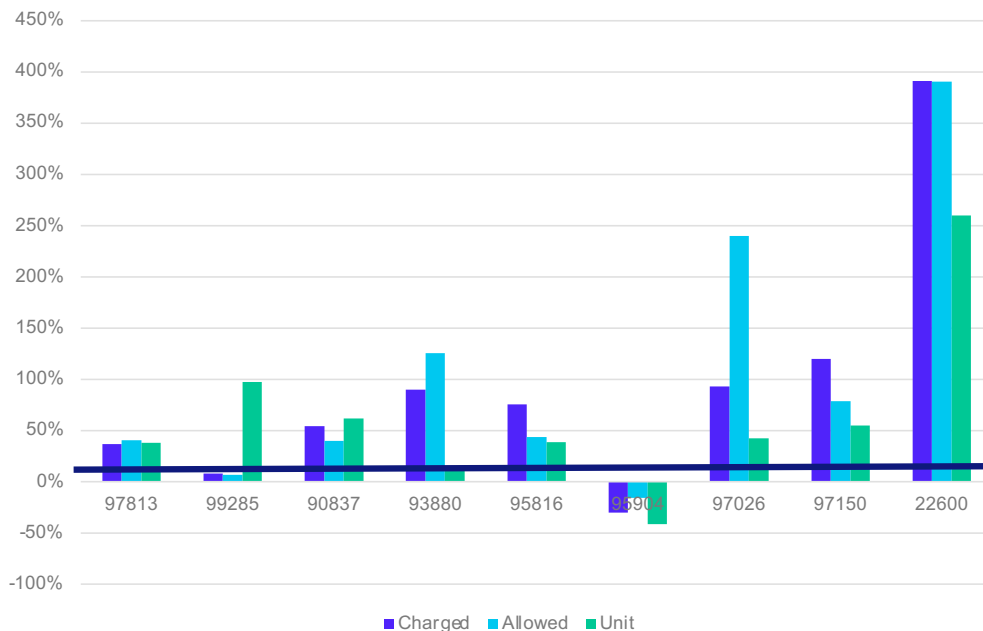
Index increase in prices since 2024 (2 years)

State	Charged	Allowed	Unit
Kentucky	17.7%	23.4%	36.0%
Michigan	45.4%	71.6%	32.2%
Florida	7.6%	42.5%	5.6%
New Jersey	2.9%	3.0%	19.4%
Texas	8.6%	7.5%	-3.4%
National Average	5.0%	7.0%	5.0%

Multiple Codes and Cumulative CPI – National View

Price Index since 2024

Multiple Procedure Areas of Severity since 2024/Cumulative CPI 6.1%



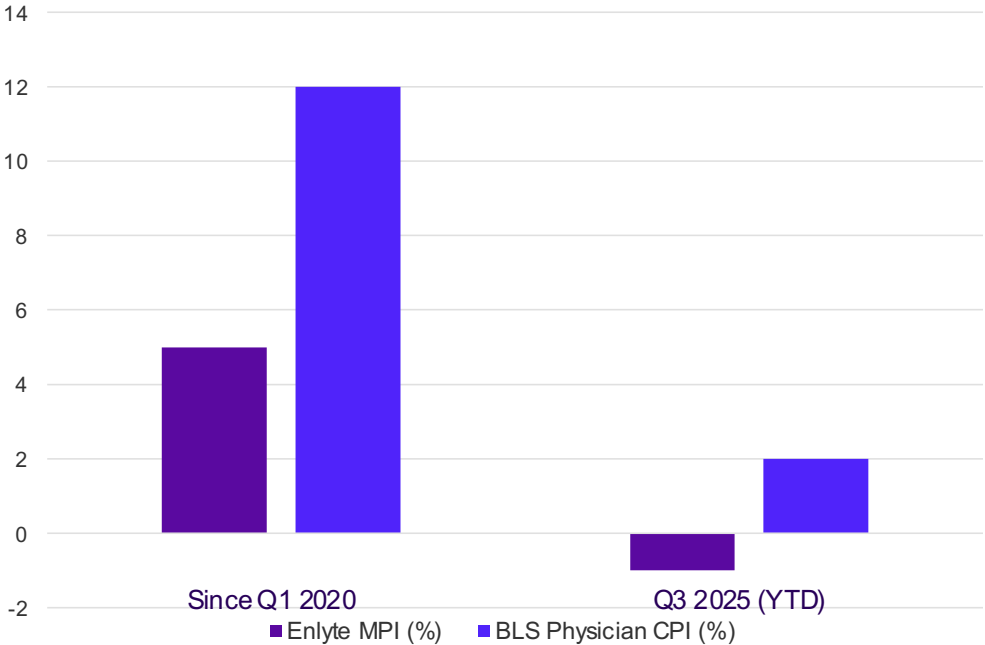
- Selected codes from different categories
- 2024-2026 Cumulative CPI 6.1%
- Data differs from state-to-state based on market rates and types of fee schedule (I.e., Medicare rates)
- Most CPT codes changed at rates that are nowhere near 6.1% Cumulative Medical CPI – some far above, some below
- Why?
 - Provider pricing behavior
 - Fee schedule changes and shifts
 - Utilization patterns
 - Shifting from inpatient to ASC environment
 - Cost shifting within facilities to ER department cost center
 - Some show rising charges but falling units or vice-versa which is completely related to a “behavioral shift” in provider usage and payer authorization (allowed).
- Wide shifts from CPI indicate inflation is **NOT** the primary driver

First Party

*Utilization growth – not fee
schedules/unit cost is driving
claim severity*

First Party Medical Price Index (MPI)

National Inflation



Q1 2020 – Q3 2025

Physician charge per unit (Enlyte MPI) has **increased 5%**

The Bureau of Labor Statistics Physician Consumer Price Index has **increased 12%**

Q3 2025 Year to Date

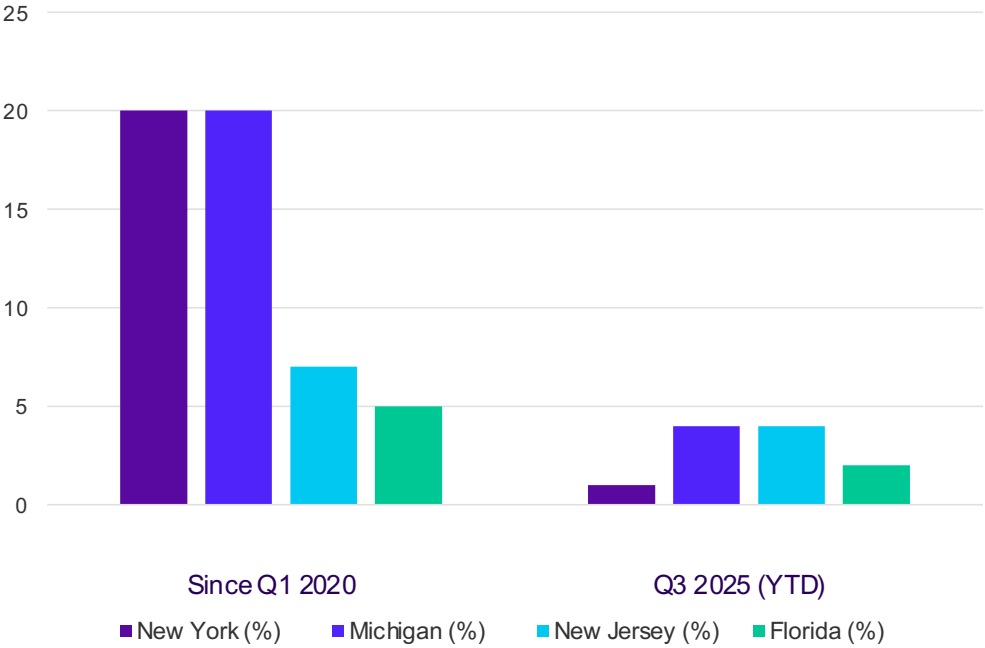
Enlyte MPI **decreased 1%**

BLS Physician Services CPI **increased 2%**



First Party Medical Price Index (MPI)

State Inflation



Q1 2020 – Q3 2025

The physician charge per unit (Enlyte MPI) has **increased 20%** in New York, and **20%** in Michigan while New Jersey **increased 7%** and Florida **increased 5%**

Q3 2025 Year to Date

The Enlyte MPI **increased 4%** in Michigan and New Jersey, **increased 2%** in Florida, and **increased 1%** in New York



Summary Top Drivers 1st Party

Category	Type	Total Charges	Total Claimants	% Change (2022-2024)
Outpatient	Encounter	\$6.03B	455,258	+18.1%
Professional Office	Encounter	\$5.99B	593,337	+10.7%
Musculoskeletal	Injury	\$5.23B	275,675	+16.3%
Soft Tissue	Injury	\$5.17B	391,692	+14.8%
CT Scan	Service Group	\$3.30B	257,372	+14.9%
Emergency Room	Service Group	\$1.47B	440,592	+18.1%

National Injury Analysis

Most Influential Injury Types

Soft Tissue Injury

- \$5 billion in total charges annually
- 400,00 claimants annually
- +14% increase in charges per claimant since 2022
- 13% increase in frequency since 2022
- Key Concern: Per unit cost increase

Musculoskeletal System & Connective Tissue Diseases/Disorder

- \$5.5 billion in total charges annually
- 275,000 claimants annually
- +16% increase in charges per claimant since 2022
- 21% increase in frequency since 2022
- Key Concern: Fastest growing major injury category

National Injury Analysis

Most Influential Service Groups

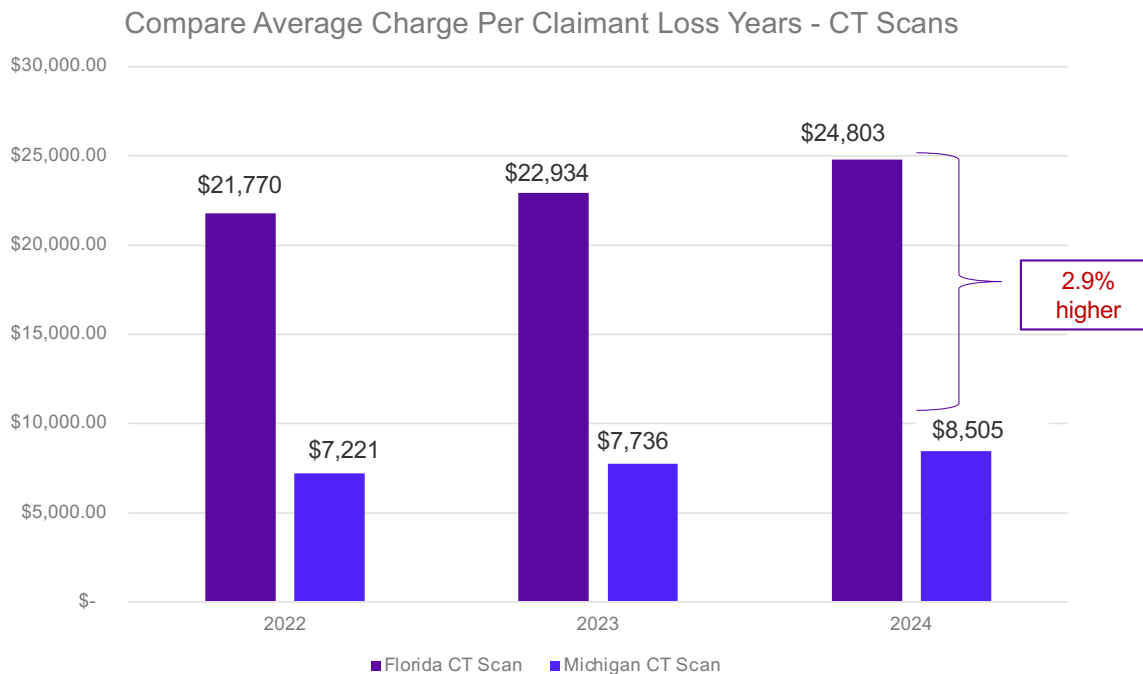
Computerized Tomography (CT Scan)

- \$3.30 billion in total charges annually
- 260,000 claimants annually
- 20% increase in charges per claimant since 2022
- 15% increase in units/frequency since 2022 overall, although units per claimant decreased 3.6% (indicates cost growth vs. over utilization)
- Key Concern: Allowed per unit increased 15.6% - market wide escalation

Emergency Room

- \$1.5 billion in total charges annually
- 450,000 claimants annually
- 18% increase in charges per claimant since 2022
- 16% increase in charges per units/frequency since 2022
- Key Concern: 16.5% increase in volume – widespread utilization increase

A Tale of Two States – Michigan/Florida CT Scan



Why?

- Florida Facility Type and Scan Complexity combined with market price differences
- Similar utilization patterns: 3.5-3.8 units per claimant confirm clinical consistency
- Michigan faster growth rate in CT Scans (18%) indicates cost pressure
- Active litigation fears by type of facility

Findings in 1st Party

Nationally medical costs per claimant increased while paid amounts grew at a more moderate rate.

States matter when reviewing 1st party claims, some saw large increases while others were minimal or moderate.

Service costs differ from state to state, some dramatically

- **National market inflation:** 12.3% charge per claimant growth driven by 10.6% utilization increase
- **Service cost crisis:** CT scan unit costs increased 19.2% nationally with Florida experiencing 20.3% inflation
- **State variances:** Michigan's 21.5% charge growth driven by extreme 34.1% utilization surge
- **Category concentration:** Outpatient, Professional Office, Musculoskeletal, Soft Tissue, CT Scan ER – 32.9% growth

Key Takeaways

- Medical cost containment must be driven by empirical price and utilization data not CPI assumptions
- Effective legislation and regulation starts with claims-level evidence
- Provider behavior responds immediately to fee schedule, litigation risk, payment design
- Federal Medicare/Medicaid shifts are reallocating costs, not reducing them
- Provider shortages are accelerating ER and high cost site of service usage
- CT Scans represent the single most urgent unit cost and utilization risk
- Site of service control is no longer optional – it's a core cost containment strategy
- Don't assume fee schedules = cost control when utilization is the biggest driver of severity

Questions?