

## Palmetto Update: October 17, 2008

On October 17, 2008, Palmetto released a new local coverage determination (LCD). This new LCD has eliminated the need to pair ICD-9 and CPT codes. In addition, they have posted on their website a tool to allow providers to check the status of their enrollment application. The link to the new LCD and the enrollment look-up tool can be found below.

### New LCD

[http://www.cms.hhs.gov/mcd/viewlcd.asp?lcd\\_id=28290&lcd\\_version=27&show=all](http://www.cms.hhs.gov/mcd/viewlcd.asp?lcd_id=28290&lcd_version=27&show=all)

### Enrollment Look-Up Tool

<http://www.palmettogba.com/palmetto/providers.nsf/DocsCat/Providers~Jurisdiction%201%20Part%20B~Resources~Provider%20Enrollment~Provider%20Enrollment%20Application%20Status%20Lookup%20Tool?opendocument>

Palmetto's Medical Director informed APTA (on September 26) that the J1 Palmetto local coverage determination (LCD) will be revised over the next 2-3 weeks to eliminate the ICD-9/CPT code crosswalk. This crosswalk would have required physical therapists to couple specified ICD-9 codes with certain CPT codes in order to receive coverage for services provided to Medicare beneficiaries. In the revised policy, Palmetto will include a list of ICD-9-CM codes for reporting physical medicine and rehabilitation services. Physical therapists will not be required to couple these ICD-9 codes with CPT codes for payment.

If a claim was denied due to the crosswalk and contains an ICD-9 code that is included on the new list of ICD-9 codes developed by Palmetto, the claim will be automatically reprocessed and the payment adjustment will be made. If a claim was not submitted with an ICD-9 code on the new, revised list, the physical therapist will need to request a redetermination by Palmetto.

The implementation of the new list of ICD-9 codes without a crosswalk is expected to occur in the next two to three weeks. After this process is completed, Palmetto will begin to reprocess claims.

On September 2, 2008, the administrative management of Medicare in the state of California transitioned from National Heritage Insurance, Corp (NHIC) to Palmetto GBA. This is a result of Medicare contracting reform mandated by the Medicare Modernization Act of 2003. This reform would divide the country into 15 regions and one company, called a Medicare Administrative Contractor (MAC), would be responsible for the Part A and Part B operations in that region. More information about the contracting reform process can be found on the [APTA](#) and [CMS](#) websites.

The transition process from NHIC to Palmetto has raised a significant amount of serious issues for providers practicing in California, including physical therapists. Some of the issues APTA has been made aware of include:

- Difficulties contacting the customer service department.
- Delays in processing enrollment applications.

- A new local coverage determination (LCD) has been implemented and is available via the [Palmetto website](#). Many providers were unaware of the implementation of a new LCD and therefore received denials.
- The new LCD has an extensive ICD-9/CPT code crosswalk. This means that Palmetto has determined which ICD-9s are appropriate for each CPT code. Certain ICD-9 codes have been excluded from coverage (please see update above).
- Providers and patients are having a hard time finding a way to determine dollars accrued towards the therapy cap.
- Difficulties resolving outstanding issues that were not resolved by NHIC.

Both the California chapter and APTA have been in contact with officials at Palmetto and the CMS Central and Regional Offices. We are working diligently with these officials to find a solution as quickly as possible. The California chapter is sending out periodic updates and we encourage our California members to sign up for this email listserv. Additionally, APTA will be updating its Medicare Updates page ([www.apta.org/medicareupdates](http://www.apta.org/medicareupdates)) when new information becomes available and will notify our membership through PT Bulletin Online.