

FREQUENTLY ASKED QUESTIONS: MEDICARE THERAPY CAP

WHAT IS THE THERAPY CAP AMOUNT FOR 2017?

The therapy cap amount for 2017 is \$1,980 for outpatient physical therapist and speech-language pathology services combined. There is a separate \$1,980 cap for outpatient occupational therapy services. An exceptions process to exceed this cap is extended through December 31, 2017.

IS THERE AN EXCEPTIONS PROCESS IN 2017?

Yes. The exceptions process is applicable for therapist services in excess of the cap amount delivered during the 2017 calendar year. In 2017 there are 2 exceptions processes: (1) an automatic exceptions process at \$1,980 in which the therapist applies a KX modifier to the claim form to designate that continued care is medically necessary and (2) a targeted manual medical review (MMR) process.

WHICH PROVIDERS ARE SUBJECT TO THE \$1,980 CAP?

In 2017, the \$1,980 therapy cap with an exceptions process applies to services furnished in the following outpatient therapy settings: physical therapists in private practice, physician offices, skilled nursing facilities (Part B), outpatient rehabilitation agencies (ORFs), comprehensive outpatient rehabilitation facilities (CORFs), outpatient hospital departments, and critical access hospitals.

WHO IS IMPACTED BY THE PHYSICAL THERAPY CAP?

Without an exceptions process for the Medicare therapy cap, approximately 1 million Medicare beneficiaries each year would be unable to receive Medicare coverage for medically necessary services so often needed after a stroke, traumatic brain injury, spinal cord injury, hip fracture, or to effectively manage conditions such as Parkinson disease, multiple sclerosis, or arthritis. Also, individuals who need physical therapy more than once during a year for different conditions are likely to be negatively impacted because the cap is based on an annual monetary amount, not a condition or episode of care. With a combined cap on physical therapist and speech-language pathology services, some patients requiring both services, may reach the cap amount more rapidly.

WHAT THERAPY CAP PROVISIONS WERE INCLUDED IN MACRA?

As a result of the Medicare Access and CHIP Reauthorization Act (MACRA), the Medicare therapy cap was extended through December 31, 2017. In addition, MACRA included provisions to replace the current manual medical review process at \$3,700 with a new targeted medical review process. Under this new process, CMS will determine which therapy services to review by considering factors. These factors would include: (1) reviewing providers with patterns of aberrant billing practices compared with their peers; (2) providers with a high claims denial percentage or who are less compliant with applicable Medicare program requirements; and (3) newly enrolled providers.

WHAT GROUPS SUPPORT REPEAL OF THE THERAPY CAP EFFORTS?

- American Physical Therapy Association
- AARP
- ALS Association
- American Academy of Physical Medicine and Rehabilitation
- American College of Rheumatology
- American Health Care Association
- American Heart Association/American Stroke Association
- American Occupational Therapy Association
- American Speech–Language–Hearing Association
- Arthritis Foundation
- Assisted Living Federation of America
- Brain Injury Association of America
- Center for Medicare Advocacy
- Easter Seals
- Focus On Therapeutic Outcomes, Inc.
- Kindred Healthcare
- Leading Age
- National Association of Rehabilitation Providers and Agencies
- National Association for the Support of Long Term Care
- National Center for Assisted Living
- National Coalition on Health Care
- National Disability Rights Network
- National Multiple Sclerosis Society
- National Stroke Association
- Parkinson’s Action Network
- Physical Therapy Provider Network
- Private Practice Section of APTA
- United Spinal Association