

THE MEDICARE ACCESS TO REHABILITATION SERVICES ACT (H.R. 713/S. 367)

Repeal of the Therapy Cap on Outpatient Rehabilitation Services

POSITION

The American Physical Therapy Association (APTA) strongly supports the *Medicare Access to Rehabilitation Services Act*, legislation that would repeal the cap on outpatient rehabilitation services. H.R. 713 was introduced by Representatives Jim Gerlach (R-PA) and Xavier Becerra (D-CA), and S. 367 was introduced by Senators Ben Cardin (D-MD) and Susan Collins (R-ME) on February 14, 2013.

BACKGROUND

In 1997, Congress passed the Balanced Budget Act that created an annual financial limit on physical therapy and speech-language pathology services, and a separate “cap” on occupational therapy, for all outpatient settings, originally with an exemption for hospital outpatient departments. This action was not based on data, quality-of-care concerns, or clinical judgment—its sole purpose was to save resources needed to balance the federal budget. Since 1997, Congress has acted 10 times to prevent the implementation of the therapy caps by moratoriums and an exceptions process, implemented in 2006, in which the physical therapist uses a modifier to signify that the patient’s condition will require medically necessary and clinically appropriate physical therapy above the arbitrary financial limitation. In 2012, Congress also directed the Centers for Medicare and Medicaid Services (CMS) to implement a review process for therapy services that exceed \$3,700. Congress also directed CMS to apply this new 2-step exceptions process to the hospital outpatient department. The most recent extension of this exceptions process will expire December 31, 2013.

1,170,000:

Number of Medicare beneficiaries that would be affected if the therapy cap is in place without an exceptions process.

Calculation based on MedPACs review of 2009 claims data

PATIENT ACCESS TO SERVICES

An arbitrary cap on outpatient therapy services without regard to clinical appropriateness of care discriminates against the most vulnerable Medicare beneficiaries. Data show that patients who have had a stroke, hip fracture, or multiple disabilities are most likely to be impacted by the cap. The therapy cap reduces Medicare beneficiaries’ access to rehabilitation services by limiting their choice of providers, forcing them to bear 100% of the cost of care once they exceed it, or rationing their care to avoid exhausting their benefits. The therapy caps shift costs to inpatient settings, delay care, and reduce an individual’s ability to remain independent in his or her home and community.

COST-EFFECTIVENESS

An arbitrary cap prevents beneficiaries from receiving the rehabilitation care they need in a timely fashion. Beneficiaries who fail to receive the rehabilitation care they need from physical therapists are more likely to require higher-cost interventions to remain functional. The harmful impact of the cap is worsened by coupling physical therapy and speech-language pathology services under one cap. Forcing patients to choose between 2 vital functions of daily living, movement and speech, only further exacerbates the impact of the cap.

REPEAL BROADLY SUPPORTED

Repeal of the therapy caps continues to receive strong bipartisan support. Yearly extensions of flawed policies such as the sustainable growth rate (SGR) and the therapy cap exceptions process are costly and continue to impede access. APTA supports inclusion of repeal of the therapy cap in legislation to reform the SGR and has been working with policy makers to develop an alternative payment methodology for outpatient therapy. It is imperative that a permanent repeal of the therapy cap be passed and signed into law this year.



American Physical Therapy Association.

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Co-sponsor H.R. 713/S. 367 Today!

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