

NEWS RELEASE

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**THERAPY CAP COULD NEGATIVELY IMPACT HEALTH CARE FOR MORE THAN
640,000 PATIENTS ON MEDICARE**

*American Physical Therapy Association Joins American Hospital Association and Others to Shed
Light on the Issue and Offer Solutions*

Alexandria, VA, June 14, 2012 – The American Physical Therapy Association (APTA) joined representatives from several major health care organizations on Capitol Hill on Tuesday to participate in a panel briefing to discuss what expiration of Medicare extenders will mean to health care for patients and providers in rural areas. The briefing was sponsored by the American Hospital Association (AHA) and hosted by Representatives Cathy McMorris Rodgers (R-WA) and Mike Thompson (D-CA).

As a part of the Balanced Budget Act of 1997, Congress authorized the controversial therapy cap, which places an annual financial limit on payment for outpatient therapy services under Medicare Part B. Created out of a need to balance the federal budget, the action was not based on data and was taken without consideration for quality of care or clinical judgment. Since its passage, Congress has attempted—multiple times—to forestall the negative consequences of cap implementation, first through moratoriums and now through an exceptions process that is set to expire at the end of this year.

According to a 2010 report by the Computer Sciences Corporation (CSC)—a contractor for the Center for Medicare and Medicaid Services (CMS)—without the exceptions processes, an estimated 15.3% of physical therapy and speech therapy Medicare beneficiaries would reach the therapy cap and lose access to outpatient therapy services. That translates to just over 640,000 individuals.

Should the exceptions process be allowed to expire, it would bring hardship to some of the country's most vulnerable patients at a time when many are already feeling the impact of a down economy. "The therapy cap has a disproportionate impact on older, more chronically ill beneficiaries, and those from underserved areas, including rural areas," said APTA Senior Government Affairs Director Mandy Frohlich in remarks delivered Tuesday on behalf of the association. She went on to say that "data indicates that there is a higher prevalence of chronic disease in rural areas, and beneficiaries with chronic conditions are most likely to hit the therapy cap." Additionally, the only options available to these patients would be either admittance to an inpatient setting (which may or may not be available) or out-of-pocket payment for needed therapy services. As a result, these patients would be more likely to regress, ultimately creating additional Medicare expenditures.

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APTA believes that extension of the therapy cap exceptions process into 2013 is imperative if patients are to continue to have access to the vital care they need. However, the real fix is a reform of the payment system. APTA has begun crafting a reformed payment system for outpatient physical therapy services, with the goal of ensuring access to services while improving accuracy of payment.

The reformed payment system would introduce a transition from the current system of minute-based timed codes to a per-session system based on the severity of a patient's condition and the intensity of services required. This system will better reflect the professional clinical reasoning and judgment of the physical therapist, improve provider compliance, reduce administrative burdens surrounding current payment models, and provide policymakers and payers an accurate payment system that ensures the integrity of medically necessary services.

APTA is committed to continuing to work with the committees of jurisdiction, CMS, and MedPAC to implement both short-term changes to the exceptions process and long-term payment reform policies, with repeal of the therapy caps and appropriate patient access to services remaining the ultimate goal.

Physical therapists provide evidence-based services to decrease disability, improve function and independence, prevent illness, promote wellness, and restore quality of life to the patients/clients they serve. Physical therapist services lower the rate of disability and associated clinical cost by reducing the need for services of greater expense and/or greater risk to the patient/client.¹

The American Physical Therapy Association (APTA) represents more than 80,000 physical therapists, physical therapist assistants, and students of physical therapy nationwide. Learn more about the conditions that physical therapists can treat, and find a physical therapist in your area at www.moveforwardpt.com. Consumers are encouraged to follow us on [Twitter](#) (@moveforwardpt) and [Facebook](#).

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¹Peterson LE, Goodman C, Karnes EK, Chen CJ, Schwartz JA. Assessment of the quality of cost analysis literature in physical therapy. *Phys Ther.* 2009;89(8):733-755.