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May 2, 2014

Marilyn Tavenner, Administrator
Centers for Medicare & Medicaid Services
Hubert Humphrey Building, Mail stop 314G
200 Independence Ave, S.W.
Washington, DC 20201

Dear Ms. Tavenner:

On behalf of the American Physical Therapy Association's (APTA) more than 88,000 member physical therapists, physical therapists and students of physical therapy, I am writing with regard to numerous challenges that providers are encountering with the implementation of the Functional Limitation Reporting (FLR) requirements. Currently, submission of FLR data is a condition of payment for therapy services provided under Medicare Part B. Due to problems with Medicare's claims processing systems, many providers have not been paid for therapy services since October 2013. As a result, these providers are experiencing significant financial hardship, and are unable to afford to continue to provide therapy services to Medicare beneficiaries.

We have been in regular contact with CMS staff responsible for implementing FLR and they have been working diligently to try to address the multiple problems that have occurred. Despite the good faith efforts of the CMS staff over the last several months, the situation does not appear to be improving. We therefore request that CMS take immediate action to remedy this situation and ensure that the unintended financial burden caused by FLR does not hinder patient access to care. For example, CMS could turn off the edits in the system until claims for therapy services can be processed correctly or implement alternative solutions.

By way of background, the FLR program was created through a provision in the Middle Class Tax Relief and Job Creation Act (MCTRJCA) that mandated the collection of information regarding the beneficiaries function and condition, therapy services furnished, and outcomes achieved on patient function on the claim forms. The goal was to be able to use the data in the future to reform payment for outpatient therapy services.

FLR was implemented on January 1, 2013 and the payment adjustment phase was scheduled to be effective July 1, 2013. In October of 2013, APTA began to receive complaints regarding implementation issues; these complaints increased significantly in

the beginning of 2014. APTA has been sharing the data gathered from our members with CMS staff in an effort to assist in rectifying the claims processing issues. Unfortunately, due to the complicated nature of this reporting system and the limitations that are inherently involved with claims submission of this data, the claims processing issues that our members have encountered are varied and widespread.

Once an FLR claim is subject to a processing error there is no established remediation process for providers. The result is that providers are facing significant financial hardship without guidance regarding how to get paid for these outstanding claims. We request that CMS immediately facilitate the reprocessing of the claims that were not paid due to these systems errors and take immediate action to resolve these FLR claims processing problems. We are prepared to meet in more detail to discuss these issues in more depth and any potential solutions. Please contact Gayle Lee at 703-706-8549 or gaylelee@apta.org or Heather Smith at 703-706-3140 or heathersmith@apta.org regarding potential solutions. We look forward to hearing from you soon.

Sincerely,

A handwritten signature in black ink that reads "Paul Rockar Jr." in a cursive script.

Paul Rockar, Jr. PT, DPT, MS
President

PR: gl, hls