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## Report on Bipartisan Therapy Bill “SMART Act” Paves the Way for Congressional Action

*New Report Identifies Potential Medicare Cost Savings by Changing Supervision Requirement; Underscores Critical Role of Therapy Assistants in Rural and Underserved Areas*

Alexandria, VA – The results of a new independent, nonpartisan study, commissioned by a coalition of health care provider groups, show Medicare could save between \$168 million and \$242 million over 10 years by reducing administrative burdens on physical therapists and occupational therapists. These savings could help offset urgently needed changes necessary to improve access to therapy services for Medicare beneficiaries and to provide relief to rural and medically underserved areas of the country experiencing therapy workforce shortages. The win-win findings underscore the urgent need for Congress to pass pending legislation that would make those improvements possible.

The [study, conducted by Dobson DaVanzo & Associates](#), looked at the potential financial impact of the **Stabilizing Medicare Access to Rehabilitation and Therapy Act**, or SMART Act (H.R. 5536), introduced in the U.S. House of Representatives by Rep. Bobby Rush, D-III., and Rep. Jason Smith, R-Mo. The bill aims to exempt rural or underserved areas from a 15% Medicare payment cut implemented earlier this year when services are provided by an occupational therapy assistant or physical therapist assistant. That cut was implemented on Jan. 1, 2022, and applies to OTA and PTA services under Medicare Part B.

“Many seniors and Medicare recipients rely on physical and occupational therapy services to maintain their independence and stay healthy and mobile after illness or injury,” said Rep. Bobby Rush, D-III. “These misguided pay cuts will cause severe harm to older Americans in underserved communities and to physical and occupational therapy assistants — many of whom are people of color.”

“Through the SMART Act we can improve access to physical and occupational therapy services while cutting red tape in Washington,” said Rep. Jason Smith, R-Mo. “I’m proud to co-lead this legislation with Representative Rush that will not only expand seniors’ access to treatment, especially in rural and underserved areas, but will also preserve the functional therapy community for future generations of Medicare patients.”

In addition, the legislation would bring supervision requirements of OTAs and PTAs under Medicare Part B in private therapist practices in line with state licensure laws, as well as all other settings where Medicare beneficiaries receive therapy services.

The study projects costs and savings associated with both provisions of the SMART Act. Results show that the cost savings generated through the change in supervision for OTAs and PTAs in the outpatient setting could help pay for the elimination of the 15% assistant payment cut in rural or underserved areas, which is estimated to cost CMS from \$741 million to \$1.58 billion over 10 years.

These provisions of the SMART Act would make therapy services more accessible to millions of Americans experiencing challenges accessing these services in rural or underserved areas, where beneficiaries are 50% more likely to receive therapy from an OTA or PTA. The standardization of general supervision requirements for private practices is cost-effective and would reduce administrative burden while implementing common-sense consistency with state laws and across all other Medicare settings.

The research was commissioned by the American Physical Therapy Association, American Health Care Association, American Occupational Therapy Association, Alliance for Physical Therapy Quality and Innovation, National Association of Rehabilitation Providers and Agencies, National Association for the Support of Long-Term Care, and APTA Private Practice, a section of the American Physical Therapy Association.

The report can be accessed online at: [Dobson | DaVanzo & Associates, LLC - Health Care Consulting - Publications \(dobsondavanzo.com\)](http://Dobson | DaVanzo & Associates, LLC - Health Care Consulting - Publications (dobsondavanzo.com))

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