New Payment System
Evaluation Codes
For Physical Therapy
A Step Toward Payment Reform

Coding Reform
Wiring & Plumbing for Payment Reform
Payment Reform for Rehab Services

• 2012 AMA formed PM&R Workgroup (WG) to address changing the reporting methodology consistent with CMS and payment reform efforts
• 2013-2014 AMA PM&R WG continued it’s work focusing on evaluation codes as well as intervention codes to continue to progress from reporting timed procedures to a reporting methodology that describes severity/intensity
• 2015, February accomplished revision of evaluation codes to be published for 2017

Payment Reform for Rehab Services

2015
• RUC-Eval codes
  – April: surveyed evaluation codes through RUC process.
  – September: presented survey results to RUC for establishment of values to be considered by CMS for 2017 Fee schedule
• PM&R WG continued work on severity/intensity model for intervention codes.

2016
• Interventions on indefinite hold: our path forward will include efforts reflecting input from association members and other stakeholders.
• APTA is launching an educational campaign designed to help PTs comply with reporting the new evaluation codes
CMS PROPOSAL for 2017

All three evaluation codes will be reimbursed at the same level.

• “...we do not believe that making different payment based on reported complexity for these services is, at current, advantageous for Medicare or Medicare beneficiaries.” (FR* 2016 p. 347)

• “…stratified payment rates may provide, in some cases, a payment incentive to therapists to upcode…” (FR* 2016 p.345)

• CMS cannot predict “with a high degree of certainty” the utilization of the different levels of evaluation codes to maintain budget neutrality.

*Federal Register

2017 Evaluation Codes for Physical Therapy

• Evaluation
  97161  Low Complexity Evaluation
  97162  Moderate Complexity Evaluation
  97163  High Complexity Evaluation

• Re-evaluation
  97164  A single code
Today, in 2016

- 97001 Physical Therapy Evaluation
- 97002 Physical Therapy Re-evaluation

- Published in 1998 and active CPT codes through 2016.
- This coding structure includes two “service based” codes
- Do NOT reflect any specific level of complexity or severity

Elements of a Physical Therapy Evaluation

- Examination (includes history, systems review, and tests and measures)
- Evaluation (the thought process leading to identifying impairments, functional limitations, disabilities, and needs for prevention)
- Diagnosis (impact of the condition on function)
- Prognosis (professional judgement regarding the predicted functional outcome and the estimated duration of services required)
- Plan of Care (the culmination of an evaluation)
Why Are Evaluations So Important?

• The evaluation drives the care and/or management of the care
• A thorough and complete evaluation is critical to success in achieving a positive outcome for the patient’s episode of physical therapy care
• A reflection of the level of complexity of the patient is key to effective management throughout the episode

Physical Therapy Evaluation

A Physical Therapy Evaluation should clearly reflect:

- MEDICAL NECESSITY for services to follow
- Focus on FUNCTION
2017 Evaluation Codes for Physical Therapy

• Evaluation*
  97161  Low Complexity Evaluation
  97162  Moderate Complexity Evaluation
  97163  High Complexity Evaluation

• Re-evaluation*
  97164  A single code

* 97001 PT evaluation and 97002 PT Re-evaluation will be deleted from the code set.

2017 Evaluation Codes for Physical Therapy

• Stratify the patient population
• Move beyond diagnosis stratification
• Acknowledge that patients vary due to comorbidities and other personal factors
• Places value on the clinical decision making required to provide medically necessary care
2017 Evaluation Codes for PT Introductory Language:

• “...a patient history and an examination with development of a plan of care...which is based on the composite of the patient’s presentation.”
• “Coordination, consultation and collaboration of care with physicians...consistent with the nature of the problem(s) and the needs of the patient, family, and/or other caregivers.”

Introductory Language: AT A MINIMUM...
Each of the following 4 components noted in the code descriptors must be documented...:

- History
- Examination
- Clinical decision making
- Development of a plan of care
DEFINITIONS

- **Body Regions:** Head, neck, back, lower extremities, upper extremities, and trunk

- **Body Systems:**
  - **Musculoskeletal:** *gross symmetry, gross ROM, gross strength, height and weight*
  - **Neuromuscular:** *gross coordinated movement (eg. Balance, gait locomotion, transfers, and transitions) and motor function (motor control and motor learning)*
  - **Cardiovascular pulmonary:** *heart rate, respiratory rate, blood pressure, and edema*
  - **Integumentary:** *pliability (texture), presence of scar formation, skin color and skin integrity*

--

**A Review of ANY of the Body Systems ALSO includes:**

- The assessment of the ability to make needs known
- Consciousness
- Orientation (person, place, and time)
- Expected emotional/behavioral responses
- Learning preferences (eg learning barriers, education needs)
DEFINITIONS

• **Body Structures:** Structural or anatomical parts of body, such as organs, limbs and their components, classified according to body systems

DEFINITIONS

**Personal Factors** - Factors that include:

• Include sex, age, coping styles, social background, education, profession, past/current experience

• Overall behavior patterns

• Other factors that influence how disability is experienced by the individual

• PERSONAL FACTORS THAT EXIST BUT DO NOT IMPACT THE PHYSICAL THERAPY PLAN OF CARE ARE NOT TO BE CONSIDERED WHEN SELECTING A LEVEL OF SERVICE.
International Classification Functioning, Disability, and Health (ICF)

- Developed by the World Health Organization (WHO)
- Standard language and framework for the description of all aspects of health and some health-related components of well-being
- It is not an etiological framework (such as ICD-10 does)
- Comes from the perspective of the body, the individual, and society

ICF Information Organization

1. Functioning and Disability
   - Body systems and body functions
   - Activities and participation (both individual and societal)
2. Contextual Factors
   - Environmental factors
   - Personal factors
NEW Codes: 4 Components of Complexity and Severity

• Patient history (medical and functional, including relevant comorbidities and personal factors) AND
• Examination AND the use of standardized tests and measures AND
• Clinical presentation of the patient AND
• Clinical decision making (including the use of a standardized patient assessment instrument and/or measurable assessment of functional outcome)

PATIENT HISTORY

Assists in supporting level of evaluation reported:

• Comorbidities that impact function and ability to progress through a plan of care
• Previous functional level; context of current functional abilities
• Treatment approaches in past if applicable and other factors that may impact patients ability to progress and reach goals
• Includes social history, living environment, work status, cultural preferences, medications, other clinical tests, and more
EXAMINATION

Includes any of the following:
• Body structure and functions,
• Activity limitations (difficulty executing tasks or actions) and/or
• Participation (in life situations) restrictions

ICF Domains of Activity and Participation
(include but are not limited to)
• Mobility
• Self-care
• Domestic life
• Interpersonal interactions and relationships
• Major life areas
• Community, social and civic life
CLINICAL PRESENTATION OF THE PATIENT

• Stable and uncomplicated OR
• Evolving clinical presentation with changing clinical characteristics OR
• Evolving clinical presentation with unstable and unpredictable characteristics

CLINICAL JUDGEMENT AND DECISION MAKING

• Based on the composite of the patient’s presentation ("the dynamic interaction between the health condition and the contextual factors" - ICF)
• This clinical judgement occurs at each encounter or session informed as much as possible by current best evidence.
“Typical Time” is Used as GUIDANCE Only

<table>
<thead>
<tr>
<th>Low Complexity</th>
<th>Moderate Complexity</th>
<th>High Complexity</th>
<th>Reevaluation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Typically, 20 minutes are spent face-to-face with the patient and/or family.</td>
<td>Typically, 30 minutes are spent face-to-face with the patient and/or family.</td>
<td>Typically, 45 minutes are spent face-to-face with the patient and/or family.</td>
<td>Typically, 20 minutes are spent face-to-face with the patient and/or family.</td>
</tr>
</tbody>
</table>

97161  PT Evaluation- Low Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>No personal factors and/or comorbidities that impact the plan of care</td>
<td>Of body system(s) using standardized tests and measures addressing 1-2 elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions</td>
<td>With stable and/or uncomplicated characteristics</td>
<td>Low complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome</td>
</tr>
</tbody>
</table>
### 97162  PT Evaluation- Moderate Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-2 personal factors and/or comorbidities</td>
<td>Of body system(s) using standardized tests and measures addressing <strong>3</strong> or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions</td>
<td>Evolving clinical presentation with changing characteristics</td>
<td>Moderate complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome</td>
</tr>
</tbody>
</table>

### 97163  PT Evaluation- High Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 or 4 personal factors and/or comorbidities</td>
<td>Of body system(s) using standardized tests and measures addressing <strong>4</strong> or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions</td>
<td>Unstable and unpredictable characteristics</td>
<td>High complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome</td>
</tr>
</tbody>
</table>
97164 Physical Therapy Re-evaluation

- A single level code
- Applies when there is an established and ongoing Plan of Care
- Requires an examination including a review of history AND the use of standardized tests and measures
- Describes a REVISED plan of care using a standardized patient assessment instrument and/or measurable assessment of functional outcome

Building Blocks for New and Emerging Payment Models

- Levels of evaluation reflect the complexity of the patient that determines the management path
- Assessment tools at the front end and outcomes reported at the back end begin to stratify how patients are successfully managed
- New codes will serve to differentiate the unnecessary variation in care from medically necessary services for the individual patient, and
- Serve as the building blocks for future payment methodologies
Patient Scenarios

Patient Case # 1:
41 y/o female with a 3 yr. history of intermittent LBP, increasing in frequency to daily over the past 2 mo. BMI 33, no other co-morbidities; Fluctuating pain from 3-9/10; now 7/10. Ostwestry 35; Work as a day care provider is interrupted at least 1x/wk. due to LBP; Unable to stand more than 5 min; Sleep varies but is impacted 3/5 nights.

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
<th>Eval. Time</th>
</tr>
</thead>
</table>

Evaluation Code Selection: 97161 □ 97162 □ 97163 □
**Patient Case # 1:**
41 y/o female with a 3 yr. history of intermittent LBP, increasing in frequency to daily over the past 2 mo. BMI 33, no other co-morbidities; Fluctuating pain from 3-9/10; now 7/10. Ostwestry 35; Work as a day care provider is interrupted at least 1x/wk. due to LBP; Unable to stand more than 5 min; Sleep varies but is impacted 3/5 nights.

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
<th>Eval. Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>BMI</td>
<td>Work</td>
<td>Evolving/Changing</td>
<td>Moderate</td>
<td></td>
</tr>
<tr>
<td>Frequency/Chronicity</td>
<td>Standing Sleep</td>
<td>Pain</td>
<td>✓ Ostwestry 35</td>
<td></td>
</tr>
</tbody>
</table>

**Evaluation Code Selection:** 97161 □ 97162 □ 97163 □

---

**Patient Case # 2:**
14 y/o male 4 days post knee sprain playing basketball; no prior injuries; no co-morbidities; Pain is 4/10 (decreased from 8/10 at onset); LEFS score 45; moderate swelling of the knee; limited ROM; moderately impaired balance; no deficits with the trunk, hip or ankle.

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
<th>Eval. Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Evaluation Code Selection:** 97161 □ 97162 □ 97163 □
Patient Case # 2:
14 y/o male 4 days post knee sprain playing basketball; no prior injuries; no co-morbidities; Pain is 4/10 (decreased from 8/10 at onset); LEFS score 45; moderate swelling of the knee; limited ROM; moderately impaired balance; no deficits with the trunk, hip or ankle.

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
<th>Eval. Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>No relevant co-morbidities or personal factors</td>
<td>1. LE (Knee, hip and ankle)</td>
<td>Stable and predictable</td>
<td>Low Complexity ✓ LEFS 45</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Trunk</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Evaluation Code Selection: 97161 □ 97162 □ 97163 □

Patient Case # 3:
65 y/o male with 6 month history of pain and stiffness of his right shoulder. Using NSAIDS and is self-limiting activity. History of poorly controlled diabetes; reports dropping objects often, difficulty dressing and other self care activities, and inability to assist in household activities all due to the pain. Shoulder ROM limited in a capsular pattern. Low UEFS score.

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
<th>Eval. Time</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Evaluation Code Selection: 97161 □ 97162 □ 97163 □
**Patient Case # 3:**
65 y/o male with 6 month history of pain and stiffness of his right shoulder. Using NSAIDS and is self-limiting activity. History of poorly controlled diabetes; reports dropping objects often, difficulty dressing and other self care activities, and inability to assist in household activities all due to the pain. Shoulder ROM limited in a capsular pattern. Low UEFS score.

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Presentation</th>
<th>Decision-Making</th>
<th>Eval. Time</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acuity/chronicity</td>
<td>Carrying/handling</td>
<td>Unstable and unpredictable blood sugars</td>
<td>Moderate complexity</td>
<td></td>
</tr>
<tr>
<td>Diabetes status</td>
<td>Self care</td>
<td></td>
<td>✓ UEFS</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Household tasks</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Upper Extremity</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Evaluation Code Selection: 97161 □ 97162 □ 97163 □

**Where can you learn more about these new codes?**

- Online self-paced course with examples of scenarios from various patient populations available in the Learning Center at [www.apta.org](http://www.apta.org)
- Look for APTA’s pocket guide (coming soon)
- Published articles in PTinMotion magazine
- The following references....
REFERENCES

http://www.apta.org/Payment/Medicare/CodingBilling/FeeSchedule/Summaries/2016/7/15/

http://policy.apta.org/NationalIssues/APS/

http://www.apta.org/PTinMotion/News/2016/9/7/FeeSchedule/

http://www.apta.org/uploadedFiles/APTAorg/Payment/Medicare/Coding_and_Billing/Fee_Schedule/Comments/APTAComments_FeeSchedule2017ProposedRule.pdf

REFERENCES

• APTA Guide to Physical Therapist Practice 3.0; http://guidetoptpractice.apta.org

• APTA Guideline: Physical Therapy Documentation of Patient/Client Management; BOD G03-05-16-41

• 2017 CPT® Manual, Professional Edition

• International Classification of Functioning, Disability and Health (ICF), WHO 2001
  https://www.amazon.com/International-Classification-Functioning-Disability-Health/dp/9241545445
Thank you!

Kathleen Picard PT
kathleenpicard28@gmail.com
Picard Consulting
2249 River Road South
Lakeland, MN 55043
612-868-7473