

Part B Insider (Multispecialty) Coding Alert

THEARPY REGS: CMS Report Reveals Win-Win Situation for Exceptions Process

Alternative to cap moratorium may be a viable long-term solution, experts say

If you provide outpatient therapy, you're probably nervously counting down to June 30--the date that the Medicare outpatient therapy caps exceptions process expires again.

The good news: You still have some time to petition your congressional representatives to extend the exceptions process--and a recent report by a CMS contractor, **Computer Sciences Corporation (CSC)**, could help your case.

Patient Access Can Happen

Most advocacy groups and trade associations have pushed for legislation that fully repeals the therapy caps, but now, attention seems to be shifting toward making the exceptions process a long-term solution. Why? The CSC report indicates that the exceptions process -seems to be striking the right balance between maintaining patient access to therapy services and providing some cost- containment strategies,- says **Justin Moore**, senior director of federal government affairs for the **American Physical Therapy Association**.

The figures: In 2006 (the year the therapy caps went into effect with the exceptions process), the number of Medicare beneficiaries receiving therapy services increased by 3.5 percent, but the overall outpatient therapy expenditures decreased by 4.7 percent, according to the CSC report. All the while, the therapy caps with the exceptions process -had little or no impact on beneficiary access to outpatient therapy services,- the report said.

True, therapy expenditures were more -dramatically- reduced when the therapy caps were in effect without an exceptions process in 1999, but -the elimination of the exceptions process on July 1, 2008, would have significant impact on beneficiaries with clearly identified demographic and diagnosis characteristics,- the report stated.

The data in the CSC report suggests that rehab providers and their patients, as well as CMS and the government, can strike a win-win situation if they continue using the therapy caps with the exceptions process.

Exceptions Process Pro-Therapist

Another reason the trade associations are focusing more of their energies on the exceptions process than a full repeal of the caps is that the exceptions process recognizes the therapist's authority in patient care.

-In the transmittal from CMS that outlines how the exceptions process works, CMS emphasized the role of the therapist in -attesting- to the need for the therapy that goes beyond the -\$1,500- limit (now \$1,810),- says **Christina Metzler**, chief public affairs officer for the **American Occupational Therapy Association**. -This language reinforces that it's the therapist who makes the decision on whether or not the patient needs therapy and for how long, so it strengthens the therapist's position in making these decisions.-

Meanwhile: With this authority and the exceptions process guidelines, therapists are more carefully evaluating their patients- therapy needs, which is probably why the exceptions process is saving the Medicare program money, even though it's letting patients get therapy beyond the caps, experts say. Advocates at most of the trade associations believe that a full repeal of the caps is the best answer. But they realize it will be a few years until CMS can work out a cost-saving system that doesn't use therapy caps.

-CMS is working on a five-year study for new alternatives,- says **Ingrida Lulis**, director of healthcare regulatory advocacy for the **American Speech-Language Hearing Association**. -So basically, the exceptions process is the stop-gap, and we-re working to keep it in place until CMS comes up with something else.-

Resource: To read the full report, go online to www.cms.hhs.gov/TherapyServices/SAR/list.asp#TopOfPage, and click on [-CSC - 2006 Therapy Cap Report.-](#)