

Eli's Rehab Report

News Brief: Medicare Implements \$1,590 Therapy Cap

Effective July 1, 2003, CMS will implement a \$1,590 annual cap on Medicare B outpatient occupational therapy and its separate \$1,590 combined cap for physical therapy and speech-language pathology services.

Medicare beneficiaries will now be entitled to only \$1,590 in outpatient therapy benefits, after which the patients will be responsible for "100 percent of therapy costs unless additional services are furnished directly or under arrangement by a hospital," according to the May 23 CMS Transmittal AB-03-073.

Prior Moratorium Expires

Medicare placed a moratorium on a previous \$1,500 therapy services cap in 2000. The moratorium temporarily allowed higher outpatient therapy reimbursement limits. But now outpatient therapy services performed by physicians, therapists, nurse practitioners, physician assistants, speech-language pathologists and other outpatient practitioners are all subject to the cap.

Excluded from the cap are outpatient therapy services "provided by a hospital to an outpatient or inpatient who has exhausted Part A benefits, and other entities who have arrangements with the hospital to provide the same services to the same beneficiaries," according to the transmittal. Also excluded from the cap are skilled nursing facility (SNF) residents covered under a Part A stay.

The limits apply to services performed between July 1 and Dec. 31, 2003. In 2004, the \$1,590 cap will apply to all outpatient therapy services performed during the entire year between Jan. 1 and Dec. 31, 2004.

"Our efforts are in advocating for repeal and helping members understand their responsibilities and how to assist their patients in dealing with the change in benefit," says **V. Judith Thomas, MGA**, director of the reimbursement and regulatory policy department at the American Occupational Therapy Association. She invites practitioners who would like to help fight to repeal the cap to visit the Cap Action Center at www.aota.org/nonmembers/area17/index.asp.

You can view the full Medicare transmittal outlining the cap on the CMS Web site at www.cms.gov.