

Eli's Rehab Report

News Brief: Two-Year Moratorium Kicks in For \$1,500 Therapy Cap

Physical medicine and rehabilitation (PM&R) offices that provide physical therapy, speech therapy, and/or occupational therapy can now exceed the \$1,500 outpatient rehabilitation cap that had been imposed on reimbursements for Medicare patients since 1998. The Balanced Budget Refinement Act, which was signed into law Nov. 29, 1999, contains a two-year moratorium on the cap, barring Medicare from applying the \$1,500 limit to rehabilitation patients.

The moratorium will apply to expenses incurred on or after Jan. 1, 2000, and cover a period scheduled to end Dec. 31, 2001. During that period, the U.S. Department of Health and Human Services will study outpatient therapy (occupational, physical and speech language therapy) utilization, comparing expenses incurred from 1998 to 1999 against expenses incurred in 2000, and, by June 30, 2001, says **Judy Thomas**, director of the reimbursement and regulatory policy department at the American Occupational Therapy Association (AOTA). AOTA plans to work with the Health Care Financing Administration (HCFA) to find cost controlling alternatives to the cap.

The rehabilitation cap, which limited physical and speech therapy to a combined \$1,500 per patient limit and restricted occupational therapy to a separate \$1,500 cap, created problems for providers whose patients needs quickly exceeded the limits. For example, patients recovering from a stroke or suffering from Parkinsons disease often received a combination of physical and speech therapy, as well as occupational therapy, so they were particularly hurt by the cap, says **Peter Weiman, OT**, an occupational therapist at Ashton Woods Rehabilitation Center in Atlanta. Inpatient rehabilitation facilities were never subjected to the \$1,500 cap.