

## Eli's Rehab Report

### News Briefs: MedPAC Puts In-Office Ancillary Exception Under the Microscope

Expect head-butting between therapists who work for physicians and therapists against physician-owned therapy services.

The Medicare Payment Advisory Commission (MedPAC) recently heard a report on incident-to services and discussed services provided under the in-office ancillary exception to the physician self-referral law, according to News Now. The report addressed the potential abuse of in-office ancillary services, including physical therapy, radiation therapy, diagnostic imaging, and laboratory testing.

The report also noted an increase in spending from \$1.4 billion to \$2.2 billion between 2003 and 2008, as well as a shift in distribution of the spending across therapy services furnished incident to, physical therapy services in private practice settings, and occupational therapy services in private practice settings.

And APTA has its eye on these numbers. The Association believes that physical therapy should not qualify as a designated health service under the in-office ancillary service option, and plans to stay in close contact with MedPAC regarding this issue, News Now reports.

Meanwhile, MedPAC released its March 2010 Medicare Payment Policy report to Congress on Medicare fee-for-service reimbursements. The 2011 recommendations include:

- A zero update for skilled nursing facilities and inpatient rehabilitation facilities.
- Nixing the home health market basket update for 2011 and re-basing rates for services to reflect the average cost of providing care.
- Increasing payment rates for hospital acute inpatient and outpatient prospective payment systems by the projected rate of increase in the hospital market basket index, along with a quality incentive payment program.

To see a fact sheet on MedPAC's report, visit [http://medpac.gov/documents/Mar10\\_FactSheet.pdf](http://medpac.gov/documents/Mar10_FactSheet.pdf).