

Eli's Rehab Report

NEWS BRIEFS: Say Hello to Therapy Caps -- And Watch That Conversion Factor

Therapists were left hanging over therapy cap exceptions at the end of 2009 when Congress recessed for the holidays. The only sure news was that the 2009 Medicare Physician Fee Schedule conversion factor would stay the same until Feb. 28, 2010, per the Department of Defense (DOD) Appropriations Act of 2010.

The DOD legislation, however, did not include language to extend the therapy cap exceptions process beyond 2009, according to PT Bulletin Online. In addition, the House and Senate versions of health care reform legislation, which include provisions to extend the exceptions process, still remain unresolved, as of press time.

Without therapy cap exceptions, each Medicare beneficiary will be subject to an annual cap of \$1,860 for outpatient occupational therapy services and of \$1,860 for physical therapy and speech-language pathology services combined for 2010.

Important: The \$1,860 amount is Medicare's allowed amount, not what you charge. Medicare will reimburse 80 percent of the allowed amount and the patient's secondary insurance or the patient would be responsible for the other 20 percent. In addition, the Medicare Part B deductible for 2010 is \$155.00, so if a Medicare beneficiary is attending therapy and has not yet met her deductible, the patient would be responsible for the first \$155 of the Medicare allowed amount, and then Medicare would pay only 80 percent of \$1,705.00.

Remember: No exceptions process means you cannot use modifier KX on your claims for services over the caps. Make sure your billing software is adjusted, too. If your patient exhausts a cap and still needs therapy, he may pay out of pocket for the extra services, or you can refer him to an outpatient hospital facility, as this setting is exempt from the caps.

Meanwhile: Stay active with your congressional representatives regarding the Medicare conversion factor issue. After Feb. 28, 2010, the originally planned 21.29 percent cut to the conversion factor will take effect. The DOD legislation delays this cut through February in hopes that Congress can vote on a permanent solution to the fee schedule formula, the Bulletin reported.