

Eli's Rehab Report

Outpatient Outlook: Catch the Latest Changes in Manual Medical Review Process

Additional documentation requests to have 'stepped' approach.

As of 2014, Recovery Audit Contractors (RACs) must review 100 percent of your therapy claims over \$3,700 □ but recent CMS guidance says they can't do it all at once.

Background: The Middle Class Tax Relief and Job Creation Act of 2012, which was extended until March 31, 2015, mandated any therapy claims for combined speechlanguage pathology and physical therapy services that reach \$3,700 to be reviewed for medical necessity. Once therapy claims surpass \$3,700, they must go through a manual medical review process instead of using the usual KX modifier. In a post-payment manual medical review, RACs issue additional documentation requests (ADRs) and then determine if the services were medically necessary.

Under the latest changes, ADRs will begin at one claim and increase to 100 percent of the claims over five cycles of ADRs. The second ADR will ask for up to 10 percent of total eligible claims, the third ADR up to 25 percent, the fourth up to 50 percent, and the fifth up to 100 percent.

The new stepped approach to ADRs "removes the burden of sending all the documentation at once, which is helpful," says **Gayle Lee**, senior director of health finance and quality for the **American Physical Therapy Association (APTA)**. "However, the way it is structured, there is a large burden at the end when the number of ADR requests moves to 50 percent and 100 percent, particularly for a large provider."

"It would be helpful for providers to obtain a list in advance of the records that the RACs will request over the five-cycle period," Lee adds.

Don't miss: This tiered review process only applies to therapy claims exceeding \$3,700 from March 1-Dec. 31, 2014. It is also exclusive to facility claims, Lee says. So, if you're in a private practice, you're in the clear for now.

Be on the lookout for further changes, though. CMS is still determining the process for reviewing claims made in 2015. Also, if you're expecting an ADR and don't get one right away, hang tight □ claims review has temporarily halted since to allow the new RACs time to transition in.