

Eli's Rehab Report

Outpatient Outlook: Heads Up: SGR Fix in Home Stretch, Therapy Cap Repeal Lags Behind

Upcoming committee focus on HR 4015's extenders offers ray of hope.

Therapists may finally see a light at the end of the tunnel for their Medicare payment rates, but a battle is still in the works to repeal therapy caps. Congress released the SGR Repeal and Medicare Provider Payment Modernization Act of 2014 (HR 4015) on Feb. 6, which would nix the current sustainable growth rate (SGR) formula.

This bill, however, contained no language to repeal the therapy caps. Therapy industry experts had expected otherwise since the Senate committee's original version of the bill included this provision.

Cutting it close: Under current legislation, therapy cap exceptions expire on March 31. If Congress produces no solution by this time, therapists will face full-on therapy caps with no exceptions.

"While we are disappointed that the SGR reform bill does not include repeal of the therapy caps, we remain hopeful that Congress will address therapy caps in the final bill," says **Ingrida Lusis**, director of federal and political advocacy for the **American Speech-Language Hearing Association**.

"Few policy options in Congress today enjoy the broad, bipartisan support of therapy cap repeal," points out **Tim Casey**, director of federal affairs for the American **Occupational Therapy Association**. However, AOTA is "hopeful and determined" that this support is reflected in SGR reform's final product □ before March 31st.

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In HR 4015, the SGR would initially be "fixed" by repealing the current formula (which creates a large Medicare payment decrease every year) and replacing it with a 0.5 percent update every year until 2018.

Next step: In 2018, therapists would stay at a baseline payment level. "Beyond that, you'd have to report quality measures or participate in an alternative payment model," reports **Mandy Frohlich**, senior director of government affairs for the **American Physical Therapy Association**.

Details, however, would be left up to the Secretary of **Health & Human Services (HHS)**. "For example, we don't know today exactly what an 'alternative payment model' would look like or exactly what quality measures would be reported on, but the general concept is to move away from the current SGR system into a quality reporting system," Frohlich says.

Good news: Word on the street is that the committees involved in HR 4015 will next be focusing on bill extenders (aka therapy caps, SGR, etc. □ items that are "fixed" on an annual basis). "It's never a guarantee, but we are very hopeful that [during this process] a therapy cap repeal will be in one of these final bills," Frohlich says.