

Eli's Rehab Report

Outpatient Outlook: Hold Fast -- But Not Tight -- to Latest SGR, Therapy Cap Fix

Historical legislative overhaul for payment policy may come as soon as April.

Congress pulled through for the therapy industry once again with a last-minute fix to the sustainable growth rate scheduled to plummet 20.1 percent on Jan 1. The Pathway for SGR Reform Act of 2013, passed in late December, changed this drastic cut to a 0.5 percent increase. The new law also keeps the therapy cap exceptions process and manual medical review process in place.

The catch: This legislation is only good until March 31, 2014. On the bright side, Congress is using this legislation to buy time for a better overall payment policy.

"Beyond its policy implications, the short-term nature of the [Pathway for SGR Reform Act] is, no doubt, a mechanism meant to avoid any loss in momentum for the broader reform effort and as a means to compel action before March 31," says **Tim Casey**, director of federal affairs for the **American Occupational Therapy Association**.

Reality check: So, is payment reform truly just a few months away, or will the therapy industry call Congress's bluff once more?

Payment Breakthrough Expected This Time Around

Experts predict that Congress will enact legislation this spring that may finally put a stop to the annual cycle of Medicare payment conundrums.

The facts: Both the House and the Senate Committees are working on legislation to permanently reform the SGR.

Even better: The Senate "is going a step further by including a full repeal of the Medicare therapy cap in its permanent SGR package," reports **Mandy Frohlich**, senior director of government affairs for the **American Physical Therapy Association**. Although "much work remains to be done," the momentum to enact permanent reform is "encouraging," she says.

"We believe there is more opportunity and momentum for real action than there ever has been for SGR reform and therapy cap repeal," says **Tim Nanof, MSW**, director of health care policy and advocacy for the **American Speech Language Hearing Association**. "As always, paying for reform and repeal is a challenge but the CBO score for repeal and reform is far lower than in the past creating a window of opportunity for action."

The challenge is finding an agreement on how to finance the legislation, Casey notes. Nevertheless, "there is a real sense of optimism on Capitol Hill that a comprehensive reform package can be pushed across the finish line in the early months of the new session," he observes. "The Committees' continuing commitment to working in bipartisan, bicameral fashion has certainly put reform on a sturdy track."

Extra push: Your professional associations (ASHA, APTA, and AOTA) are all hard at work advocating in Congress during this critical time.

Stay tuned for history in the making in the therapy industry, as Rehab Report closely follows this unfolding issue.