Eli's Rehab Report

Outpatient Outlook: Prepare for a Functional Status Coding Crash Course in 2013

Proposed Medicare Physician Fee Schedule seeks data for payment reform.

Last winter the Middle Class Tax Relief Jobs Creation Act of 2012 saved you from a major Medicare payment cut. But it also heralded new reporting requirements to come in 2013. Now, the proposed Medicare Physician Fee Schedule rule for 2013 has arrived with all the details.

Biggest Change: Starting Jan. 1, 2013, CMS wants you to code your outpatient rehab patients' functional status and projected goals. This data, which will go on the claim forms, is to help CMS develop a new payment methodology for outpatient rehab.

CMS proposes to create six G-codes that would describe patient function. The agency also proposes a 12-tier severity scale to be denoted with modifiers. CMS wants providers to code patient function at the initial evaluation and discharge, as well as once every 10 treatment days or at least once during each 30 calendar days -- whichever comes sooner.

The G-codes are informational only and will not impact your claims' reimbursement. \"From a medical review standpoint, however, I think [these codes] could have a really big effect,\" says **Gayle Lee,** senior director of health finance and quality for the American Physical Therapy Association.

Important: According to the proposed rule, if you don't include functional limitation codes on the claim form after July 1, 2013, CMS won't process your claim.

\"We have serious concerns about this proposal and how it will impact therapists next calendar year,\" says **Jennifer Hitchon,** regulatory counsel for the American Occupational Therapy Administration. \"First and foremost,\" will six generic G-codes, really be able to capture the information necessary to create a payment reform? Hitchon posits. \"CMS needs more detailed information about a patient's condition, function (e.g., cognition, self-care, psychosocial factors, etc.), participation, and therapy interventions -- and the proposed data collection plan may be unable to account for this.\"

Severity Modifiers 'Off-Scale' for SLPs

Speech-language pathologists already report severity on a 7-point scale via the National Outcomes Measurement System (NOMS), so CMS' proposed 12-point scale poses an even bigger challenge for SLPs.

\"NOMS is already validated for inter-rater reliability on the 7-point scale that we currently use,\" says **Lisa Satterfield,** director of health care regulatory advocacy for the American Speech-Language Hearing Association. Members have received specific training to evaluate patients using this scale, she explains, so a 12-point scale, while applauded for higher specificity, seems a bit premature to fully implement by July 2013.

Biggest concern: Suddenly requiring a 12-point scale without established reliability or validity is worrisome, says **Mark Kander,** director of health care regulatory analysis for ASHA. \"It would be so subjective by each practitioner that it would not be good for data purposes.\"

Prepare for Extra-Steep Learning Curves

Rehab advocates also worry that six months is too tight a squeeze to ensure the new documentation and claims coding system is implemented in rehab clinics by July 1, 2013.

\"While I am pleased to see a six-month testing period included in the proposal, I remain concerned about the provider outreach and education necessary to responsibly and accurately collect this data in the two months between the release of the final rule in November 2012 and implementation in January 2013,\" Hitchon says.

And coding isn't the only concern. Reporting these functional limitations \"would require a lot of education and changes in the way therapists document because they need to support the information they put in the G-codes,\" Lee points out.

Plus: \"CMS is also considering a separate set of G codes ranging from 8-25 for 'select' categories,\" Hitchon points out.

Rest assured, CMS has no plans to change the claim form, Lee confirms. Lee predicts that the new G-codes and modifiers \"will probably be reported the same way PQRS measures are placed on the claim form as line-items.\"

Note: The proposed rule offers an aggregate payment increase of 3 percent for physical therapy services. The sustainable growth rate has a projected 31-27 percent cut, which needs congressional action to prevent. Watch the next issue of **Rehab Report** for important details on the proposed rule's Physician Quality Reporting System (PQRS) updates.