

Eli's Rehab Report

Outpatient Outlook: Tune In to Medicare Therapy Cap, Reimbursement Hot Spots Around the Corner

Proposed Physician Fee Schedule brings good and bad news for rehab providers.

It's that time of year again -- time to see what the Feds have proposed for your outpatient Medicare reimbursement next year.

The Centers for Medicare & Medicaid Services published its proposed 2010 Physician Fee Schedule in the July 13 Federal Register, and depending on what Congress decides, your Medicare reimbursement could either rise -- or plummet.

Therapy Cap, Conversion Factor Déjà Vu

Two key battles keep popping up for your Medicare claims: therapy cap exceptions expiring and cuts to the physician fee schedule conversion factor. Just like previous years, the proposed 2010 Medicare PFS seeks to cut providers' pay to stay budget neutral. But this year, the physician pay cut is higher than ever at 21.5 percent. "This is due to the flawed sustainable growth rate (SGR) portion of the formula used to calculate the conversion factor for payments under the fee schedule," according to the American Physical Therapy Association's PT Bulletin Online.

Bottom line: Unless Congress steps in (as it has in the past years at the last minute), the 21.5 percent cut will take effect Jan. 1, 2010. Likewise, therapy cap exceptions will expire on this date without an act of Congress.

Interestingly, the proposed Medicare fee schedule does not mention a new therapy cap amount, points out **Sharmila Sandhu, Esq.**, regulatory counsel for the American Occupational Therapy Association. "But presumptively the therapy cap will remain in place in 2010 and will be increased by an economic index metric."

Keep an eye on the Final Rule later this year for an exact dollar amount.

Meanwhile, you can advocate for Congress to take action on the exceptions process and conversion factor. "We encourage therapists to write their legislators to support changes," says **Judy Thomas**, senior policy manager for AOTA.

Don't miss: Another important benefit set to expire without Congressional action is the geographic practice cost index floors that keep the GPCI from falling below a value of 1. "If Congress doesn't renew the expiring GPCI floors, rural states will see pretty big reimbursement impacts," says **Gayle Lee, JD**, director of federal payment policy and advocacy for APTA.

It's Not All Bad News

Despite the therapy caps and a conversion factor cut, the proposed rule contains some positive items that could mean more money for rehab providers (if Congress can prevent the 21.5 percent cut from taking effect.)

For one: CMS proposed removing physician-administered drugs from this year's fee schedule calculations. And if those high-dollar drugs are no longer a part of the SGR calculations, by 2014, providers could actually see a positive conversion factor, Lee says.

Plus: The practice expense relative value unit is set to increase for therapists. CMS used new survey data that included non-physician specialties to calculate the practice expense RVU, whereas before, CMS used data that only accounted for physician practice expenses, Lee explains.

"We don't know for sure what's going to happen to the rate because we're waiting on Congress to decide if it's going to

do something about the SGR," Thomas says.

"But it's good to see that CMS is including more current data and that non-physicians are included."

Cross your fingers: If Congress does take action on the conversion factor, the proposed practice expense RVU adjustments would mean a 10 percent aggregate payment increase for PTs and OTs, Lee says.

PQRI, Cardiac Rehab Issues Still in the Works

The proposed rule also indicates that the Physician Quality Reporting Initiative will continue into 2010. CMS proposes that the bonus payment remain at 2 percent, but after 2010, Congress will need to authorize a bonus, Lee points out.

PQRI will be available only to therapists in private practice, as in past years. "We're pleased we're still able to participate, but we'll be asking CMS to consider expanding that program to other therapists paid under Part B," Sandhu says. "There are new mechanisms for reporting claims data that involve registry-based reporting and electronic health records reporting, but it doesn't look like we can report an OT [or PT] measure through EHR [yet]."

As for quality measures, CMS hasn't proposed changes to last year's measures. APTA is in conversation with CMS on adding a back pain measure for PTs, but that's still in the works, Lee says.

Take note: The proposed rule does list three new measures for audiologists. That's thanks to advocacy from the Audiology Quality Consortium, cheers **Kate Romanow, JD**, director of healthcare regulatory advocacy for the American Speech-Language Hearing Association.

Stay tuned: CMS also addressed implementing new guidelines on cardiac, intense cardiac, and pulmonary rehab in the proposed rule -- and APTA and AOTA are following the issue closely since PTs and OTs may be involved.