

## Eli's Rehab Report

### Outpatient Outlook: Wake Up to Eval Code Overhaul in Proposed Medicare Physician Fee Schedule

**Say goodbye to 97001-97004 and hello to 6 new codes.**

The proposed 2017 Medicare Physician Fee Schedule is out, and in addition to tinkering with code values, it's foreshadowing some big changes to how physical and occupational therapists will report and get paid for evaluations.

Currently, PTs and OTs report therapy evaluations using the following:

- 97001 (Physical therapy evaluation)
- 97002 (Physical therapy re-evaluation)
- 97003 (Occupational therapy evaluation)
- 97004 (Occupational therapy re-evaluation)

**What's new:** CMS is proposing three new codes for PT evaluations and three new codes for OT evaluations: one for low complexity, one for moderate complexity, and one for high complexity, respectively.

**The catch:** Tiered codes = tiered reimbursement, right? Wrong. To avoid potential abuse and in an attempt to achieve budget neutrality, CMS proposes all new evaluation codes to be reimbursed at the same rate — a 1.20 work relative value unit (RVU). That's the current Medicare rate for therapy evaluations.

The rule also includes a reevaluation code with a 0.60 work RVU.

"While APTA is disappointed CMS did not accept the recommendations from the AMA Relative Value Scale Update Committee [for tiered code values], we are encouraged to see the stratified evaluation levels by complexity were accepted through the proposed rule," says **Carmen Elliott**, VP of payment and practice management for the American Physical Therapy Association (APTA).

"From AOTA's perspective, the new OT evaluation and re-evaluation codes are a welcome change," says **Sharmila Sandhu, JD**, director of regulatory affairs for the **American Occupational Therapy Association** (AOTA). At the same time, AOTA will be commenting in opposition to the idea of each evaluation code having an identical value.

"We believe it is inconsistent with our objective to describe and value OT evaluations in a stratified manner based upon patient complexity and factors such as number of performance deficits, comorbidities, and need for modification and/or assistance," Sandhu says. AOTA does, however, plan to support that the descriptor language remains the same, "given the significant effort that went into developing them by OT experts and staff."

While the concept of tiered therapy evaluation codes is unlikely to change, there is a possibility that the descriptors or values could be tweaked by the **Centers for Medicare and Medicaid Services** (CMS) when the final rule is published in November 2016. The proposed rule is open for public comment through September 6, 2016.

#### **Set Aside Time for Staff Education**

Good training will be key to making these new evaluation codes work for your practice. The new codes are much

lengthier in description and echo the tiered physician evaluation & management (E/M) codes. Key components must be met in categories such as patient history, assessment, and clinical decision-making when selecting the proper evaluation code.

**Sneak peek:** Check out the code descriptors for the new occupational therapy evaluation codes, on the chart provided by AOTA at <http://www.aota.org/eval-codes>.

"The proposed rule calls for extensive educational efforts," Elliott points out, noting that the educational timeline is "extremely tight." Training time, of course, will depend on your practice size and number of therapists, and "APTA will spend the next few months preparing therapists to report the new evaluation codes appropriately as well as work with payers in implementing them," Elliott says. She encourages therapists to utilize all resources that are available through professional associations.

**For example:** APTA will provide detailed information on how to differentiate the number of personal factors that affect the plan of care and how to select the number of elements from any of the body structures and functions, activity limitations, and participation restrictions to make sure there is no duplication during the PT's examination of body systems, Elliott says.

Likewise, AOTA is initiating an educational campaign, including documentation and coding guidelines, educational webinars, and presenting on the new codes at a variety of venues, including state occupational therapy association conferences, Sandhu says. In short, "the new evaluation codes will require therapists to do more critical thinking about the presentation of each patient."

**Stay at it:** After initial staff training, follow-through will be key. "Once the codes are implemented after January 1, 2017, continue to monitor for appropriate level of coding," Elliott recommends. "This can be done through chart audits, etc."

### See What Else Is Brewing

While the new evaluation codes took the cake in the proposed rule, a few other highlights are worth mentioning:

- The projected conversion factor for 2017 is \$35.7751. This "reflects the 0.5 percent update adjustment factor specified under MACRA," Elliott says.
- CMS continues its hunt for "misvalued codes" and has its eye on 10 PM&R codes: electrical stimulation, ultrasound therapy, therapeutic exercises, neuromuscular reeducation, aquatic therapy/exercises, gait training therapy, manual therapy (1/regions), therapeutic activities, self-care management training, and electrical stimulation (other than wound).
- Congress has set a 0.5 percent reduction for all misvalued codes in 2017, which could make the 2017 payment update a wash, if all the targeted rehab codes are affected. However, CMS writes that correcting the misvalued codes could avoid the need to mandate an overall reduction in payments.
- CMS declared it could not authorize adding rehab therapies to the list of Medicare recognized telehealth services. New legislation will be required to add therapists to the list of practitioners who can report telehealth services.

You can view the full proposed rule at

<https://www.federalregister.gov/articles/2016/07/15/2016-16097/medicare-program-payment-policies-under-the-physician-fee-schedule-medicare-advantage-pricing-data>.