

Eli's Rehab Report

Re-Evaluate 97001-97004 to Revamp Reimbursement

Reporting 'incident-to' under a physician's PIN may flag an audit

If you think you know 97001-97004 backward and forward you may be surprised that you should avoid using E/M codes for physical therapists (PTs) and occupational therapists (OTs). However you can report 97001-97004 in addition to a separate E/M service on the same day.

97001 97003: Check the Scope of Practice

First avoid using the E/M codes for physical therapists and occupational therapists. If a practice codes a PT's or OT's services under a physician's PIN as incident-to the carrier would likely pause before reimbursing the claim.

Medicare requires that "independently practicing physical therapists are limited to physical therapy CPT HCPCS codes only" under the Medicare Part B Billing Manual for Physical Therapy.

PTs can use 97001 (Physical therapy evaluation) to report their initial evaluation of the patient which should occur before either the PT or the physician establishes the plan of care. OTs should use 97003 (Occupational therapy evaluation).

The physical therapy evaluation which normally pays about \$70 returns higher payments than a doctor's E/M services which pay about \$30 to \$40 for 99212 (Office or other outpatient visit for the E/M of an established patient ...). That means that reporting 97001 under a doctor's PIN may look like a tactic to glean more money and red flag a possible audit.

Note: Initial evaluations for therapists practicing in skilled nursing facilities (SNFs) must occur while patients are staying in the SNF so the therapist can evaluate their conditions accordingly. Therapists cannot use a plan of treatment that may have been previously developed for the patient while in a hospital.

[CPT 97002](#) and 97004: Use Them Sparingly

For re-evaluation services PTs can report 97002 (Physical therapy re-evaluation) and OTs can report 97004 (Occupational therapy re-evaluation) as long as the therapist uses the time spent to evaluate a change in the patient's condition.

Warning: PTs and OTs should be careful not to use 97002 or 97004 every time the therapist treats the patient following the initial evaluation. Although OTs will informally re-evaluate patients as part of each treatment you should use the re-evaluation code sparingly says **Judy Thomas MGA** reimbursement policy director at the American Occupational Therapy Association.

"A physical therapy re-evaluation may be required every 30 or 60 days according to state law as part of the physician's order for continuing care" says **Jean Acevedo LHRM CPC CHC** senior consultant with Acevedo Consulting in Delray Beach Fla. "However most payers (including Medicare) will only pay for 97002 if there has been a significant change in the patient's condition or treatment plan - such as a patient who suffers a stroke or serious fall which requires that the PT adjust the plan of treatment significantly."

A PT or OT should submit a re-evaluation in two circumstances: (1) when a patient exhibits a "demonstrable change" and needs his treatment goals revised or (2) when an ongoing assessment of the patient's rehabilitation requires the re-evaluation according to CMS Pub 9 Sec. 503.

Tactic: Anytime a patient returns for re-evaluation you should keep backup documentation that shows the alteration in the patient's condition that produces the change in the plan of care. This documentation should include the frequencies and durations of all interventions as well as anticipated goals.

Don't Add Time Spent to Treatment

Regardless of the therapy's location you should never add the time spent in initial evaluation or re-evaluation to the minutes of therapy you will report for other time-based codes (such as 97110 or 97140). This especially holds true if the PT or OT provided a time-based service on the same date of service and separately reports the initial evaluation or re-evaluation (97001-97004).

For instance a patient's evaluation ended at 9:30 a.m. and the therapist spent 25 minutes in treatment (such as 97110 Therapeutic procedure one or more areas each 15 minutes; therapeutic exercises to develop strength and endurance range of motion and flexibility). Then the 25 minutes the therapist spent performing 97110 after 9:30 a.m. are separate and distinct from the patient's evaluation Acevedo says.

Keep in mind: ""You should include the minutes of an informal re-evaluation the therapist spends during the course of a treatment as part of the total time for that treatment "" Thomas says.

Who Can Use 97001-97004?

All physicians (such as physiatrists) can ""in theory report any of these codes for services directly performed although E/M codes would be more appropriate for their services "" Thomas says.

""Physicians can report therapy evaluation codes for OTs and PTs who work in their office and meet the incident-to rules "" Thomas adds. You can use CPT codes for any practitioner within his scope of practice according to American Medical Association rules.

""State licensing boards dictate the therapist's scope of practice (such as what services the therapist is qualified and allowed to perform) "" Acevedo says.

Report a Same-Day E/M With Modifier -25

Codes 97001 -97004 include E/M services but you can report a separate one on the same day - however you should be careful.

If an OT works in a physician practice and the patient sees the physician (for a different problem) on the same day as the first OT evaluation visit then the practice can report both an E/M code and an OT evaluation code as appropriate Thomas says.

In this situation you should append modifier -25 (Significant separately identifiable evaluation and management service by the same physician on the same day of the procedure or other service) to the E/M code.

Heads-up: Modifiers that allow a provider to report evaluation and management codes on the same day as a procedure or other service are on the Office of Inspector General's Work Plan so it's important that you use modifier -25 judiciously Acevedo adds.

Medicare allowed more than \$23 billion for E/M services in 2001 and of that amount about \$1.7 billion accounted for E/M services reported with modifier -25 according to the OIG.

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