



2021 Annual Update of Per-Beneficiary Threshold Amounts

MLN Matters Number: MM12014

Related Change Request (CR) Number: 12014

Related CR Release Date: November 13, 2020

Effective Date: January 1, 2021

Related CR Transmittal Number: R10464CP

Implementation Date: January 4, 2021

PROVIDER TYPES AFFECTED

This MLN Matters Article is for physicians, therapists, and other providers submitting claims to MACs, including Home Health & Hospice MACs, for outpatient therapy services provided to Medicare beneficiaries.

PROVIDER ACTION NEEDED

Related CR 12014 updates the annual per-beneficiary incurred expenses amounts now called the KX modifier thresholds and related policy for Calendar Year (CY) 2021. These amounts were previously associated with the financial limitation amounts that Medicare more commonly referred to as “therapy caps.” The Bipartisan Budget Act (BBA) of 2018 repealed those caps while also retaining and adding limitations to ensure appropriate therapy.

For CY 2021, the KX modifier threshold amounts are:

- a) \$2,110 for Physical Therapy (PT) and Speech-Language Pathology (SLP) services combined, and
- b) \$2,110 for Occupational Therapy (OT) services.

Please make sure your billing staffs are aware of these updates.

BACKGROUND

A provision of Section 50202 of the BBA of 2018 adds Section 1833(g)(7)(A) of the Social Security Act (the Act) to preserve the former therapy cap amounts as thresholds above which claims must include the KX modifier to confirm that services are medically necessary as justified by appropriate documentation in the medical record. These amounts are now known as the KX modifier thresholds. There is one amount for PT and SLP services combined and a separate amount for OT services. Medicare will deny claims from suppliers or providers for therapy services above these amounts without the KX modifier.

These per-beneficiary amounts under Section 1833(g) of the Act (as amended by the 1997 BBA) are updated each year by the Medicare Economic Index (MEI).

Section 50202 of the BBA of 2018 also adds Section 1833(g)(7)(B) of the Act to maintain the targeted medical review process (first established through Section 202 of the Medicare Access and CHIP Reauthorization Act of 2015) but at a lower threshold amount of \$3,000. Medicare now refers to this threshold amount as the Medical Record (MR) threshold amount – one MR threshold amount for PT and SLP services combined and another for OT services. This amount remains at \$3,000 until CY 2028 at which time Medicare will update it based on the MEI.

ADDITIONAL INFORMATION

The official instruction, CR 12014, issued to your MAC regarding this change is available at <https://www.cms.gov/files/document/r10464CP.pdf>.

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

DOCUMENT HISTORY

Date of Change	Description
December 7, 2020	Initial article released.

Disclaimer: Paid for by the Department of Health & Human Services. This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents. CPT only copyright 2019 American Medical Association. All rights reserved.

Copyright © 2013-2020, the American Hospital Association, Chicago, Illinois. Reproduced by CMS with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312-893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. To license the electronic data file of UB-04 Data Specifications, contact Tim Carlson at (312) 893-6816. You may also contact us at ub04@healthforum.com

The American Hospital Association (the "AHA") has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. CMS and its products and services are not endorsed by the AHA or any of its affiliates.