



Related MLN Matters Article #: MM4115

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Related CR #: 4115

### *Therapy Caps To Be Effective January 1, 2006*

#### Key Words

MM4115, CR4115, Therapy, Caps, 2006

#### Provider Types Affected

Therapists and providers who bill Medicare carriers or fiscal intermediaries (FIs) for therapy services for their patients

#### Key Points

- The effective date of the instruction is January 1, 2006.
- The implementation date is January 3, 2006.
- Beginning January 1, 2006, financial limitation of therapy services (therapy caps) will be implemented.
- The dollar amount for the 2006 limitation on physical therapy and speech-language pathology services from January 1, 2006, through December 31, 2006, will be \$1,740.00 for both services combined.
- The limitation on occupational therapy services separately is also \$1,740.00.
- The limits do not apply to outpatient Part B therapy services in outpatient hospital or hospital emergency room settings or to services that meet Medicare criteria for exceptions.
- The dollar amount for the limitations in 2006 is based on the Medicare Economic Index that is published in the final rule for the Medicare Physician Fee Schedule in November, 2005.
- Financial limitations on therapy services (therapy caps) are currently described in the *Medicare Claims Processing Manual* (Publication 100-04), Chapter 5, Section 10.2.
- Limits apply to outpatient Part B therapy services from all settings except outpatient hospital (place of service code 22 on carrier claims) and hospital emergency room (place of service code 23 on carrier claims).
- Limitations do not apply for Skilled Nursing Facilities (SNF) residents in a covered Part A stay, including swing beds.

- Rehabilitation services are included within the global Part A per diem payment that the SNF receives under the PPS for the covered stay.
- Limitations do not apply to any therapy services billed under Prospective Payment System Home Health, or inpatient hospitals including critical access hospitals.

## Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/MM4115.pdf>

There is additional information located on the Rehabilitation Therapy Information Resource for Medicare web site located at [http://www.cms.hhs.gov/therapyservices/01\\_overview.asp?#TopOfPage](http://www.cms.hhs.gov/therapyservices/01_overview.asp?#TopOfPage) on the Centers for Medicare and Medicaid Services (CMS) website.

The official instruction issued to FIs or carriers regarding this change may be found by going to <http://www.cms.hhs.gov/transmittals/downloads/R759CP.pdf> on the CMS website.

*Medicare Claims Processing Manual* (Pub. 100-04), chapter 5, section 10.2, is available at <http://www.cms.hhs.gov/manuals/downloads/clm104c05.pdf> on the CMS website