2020 Annual Update of Per-Beneficiary Threshold Amounts

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PROVIDER TYPES AFFECTED

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

PROVIDER ACTION NEEDED

CR 11532 updates the annual per-beneficiary incurred expenses amounts now called the KX modifier thresholds and related policy for CY 2020. These amounts were previously associated with the financial limitation amounts that were more commonly referred to as “therapy caps” before the Bipartisan Budget Act of 2018 was signed into law repealing the application of the caps.

For CY 2020, the KX modifier threshold amounts are: (a) $2,080 for Physical Therapy (PT) and Speech-Language Pathology (SLP) services combined, and (b) $2,080 for Occupational Therapy (OT) services. Make sure your billing staffs are aware of these updates.

BACKGROUND

Section 50202 of the Bipartisan Budget Act of 2018, P.L. 115-123 (BBA of 2018) amended Section 1833(g) of the Social Security Act (the Act) to repeal the application of the therapy caps while also retaining and adding limitations to ensure appropriate therapy.

A provision of Section 50202 of the BBA of 2018 adds Section 1833(g)(7)(A) of 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; and, there is one amount for PT and SLP services combined and a separate amount for OT services. Medicare will deny your claims for therapy services above these amounts without the KX modifier.

These per-beneficiary amounts under Section 1833(g) of the Act (as amended by 1997 BBA)
are updated each year by the Medicare Economic Index (MEI). For CY 2020, the KX modifier threshold amounts are: (a) $2,080 for PT and SLP services combined, and (b) $2,080 for OT services.

Another provision of Section 50202 of the BBA of 2018 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. This threshold amount is now termed the Medical Record (MR) threshold amount – one MR threshold amount for PT and SLP services combined and another for OT services – remains at $3,000 until CY 2028 at which time it will be updated by the MEI.

ADDITIONAL INFORMATION


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

DOCUMENT HISTORY

<table>
<thead>
<tr>
<th>Date of Change</th>
<th>Description</th>
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<tr>
<td>November 12, 2019</td>
<td>Initial article released.</td>
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