



News Flash – The Centers for Medicare & Medicaid Services (CMS) has announced the contract suppliers for the Round 1 Rebid of the Medicare Durable Medical Equipment, Prosthetics, Orthotics and Supplies (DMEPOS) Competitive Bidding Program. The list of contract suppliers is now available at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html> on the CMS website. Visit the CMS web site at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/DMEPOSCompetitiveBid/index.html> to view additional information on the Round 1 Rebid.

MLN Matters® Number: MM7107 **Revised**

Related Change Request (CR) #: 7107

Related CR Release Date: October 22, 2010

Effective Date: January 1, 2011

Related CR Transmittal #: R2073CP

Implementation Date: January 3, 2011

Outpatient Therapy Cap Values for CY 2011

Note: This article was updated on December 10, 2012, to reflect current Web addresses. This article was previously revised on October 19, 2012 to add a reference to MLN Matters® article MM8036, available at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8036.pdf>, to alert providers that all requests for therapy services above \$3,700 provided by speech language therapists, physical therapists, occupational therapists, and physicians must be approved in advance. This applies to: Part B Skilled Nursing Facilities (SNFs), Comprehensive Outpatient Rehabilitation Facilities (CORFs), rehabilitation agencies (Outpatient Rehabilitation Facilities (ORFs), private practices, home health agencies (TOB 34X), and hospital outpatient departments. All other information remains unchanged.

Provider Types Affected

This MLN Matters® Article is intended for physicians, providers, and suppliers submitting claims to Medicare contractors (carriers, Medicare Administrative Contractors (MACs), Fiscal Intermediaries (FIs), and/or Regional Home Health Intermediaries (RHHIs)) for therapy services provided to Medicare beneficiaries.

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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 2009 American Medical Association.

Provider Action Needed

This article is based on Change Request (CR) 7107, which describes the Centers for Medicare & Medicaid Services (CMS) policy for outpatient therapy caps for Calendar Year (CY) 2011. No change to the exceptions process is anticipated, if it should be extended into 2011. Be sure billing staff is aware of the updates.

Background

The Balanced Budget Act of 1997 set therapy caps, which change annually, for Part B Medicare patients. The Deficit Reduction Act of 2005 allowed CMS to establish a process for exceptions to therapy caps for medically necessary services. The Affordable Care Act extended exceptions to therapy caps through December 31, 2010.

Therapy caps for 2011 will be \$1870. The exceptions process will continue unchanged for the time frame directed by the Congress.

Note that the limitations apply to outpatient services and do not apply to Skilled Nursing Facility (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 prospective payment system (PPS) for the covered stay. Also, limitations do not apply to any therapy services billed under the Home Health PPS, inpatient hospitals or the outpatient department of hospitals, including critical access hospitals.

Additional Information

The official instruction, CR 7170, issued to your FI, carrier, A/B MAC, or RHHI regarding this change may be viewed at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R2073CP.pdf> on the CMS website.

If you have any questions, please contact your Medicare contractor at their toll-free number, which may be found at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

Additional information concerning outpatient therapy services may be found at <http://www.cms.gov/Medicare/Billing/TherapyServices/index.html> on the CMS website.

You may want to review MM7785 (<http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/NLNMattersArticles/downloads/MM7785.pdf>) for changes in the therapy cap exception process including: (1) extending the therapy caps exception process through December 31, 2012; (2) the therapy caps and related provision will temporarily apply to therapy services furnished in an outpatient hospital between October 1, 2012 and January 1, 2013; (3) requirement that the NPI of the physician certifying the therapy plan of care is on the claim; and (4) adds new thresholds for mandatory medical review.

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