

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9448

Related Change Request (CR) #: CR 9448

Related CR Release Date: November 25, 2015

Effective Date: January 1, 2016

Related CR Transmittal #: R3417CP

Implementation Date: January 4, 2016

Therapy Cap Values for Calendar Year (CY) 2016

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

Change Request (CR) 9448, from which this article was developed, describes the amounts and the policy for outpatient therapy caps for CY 2016. **For physical therapy and speech-language pathology combined, the 2016 therapy cap will be \$1,960. For occupational therapy, the cap for 2016 will be \$1,960.** Please make sure your billing staffs are aware of these updates.

Background

The Balanced Budget Act of 1997, P.L. 105-33, Section 4541(c) applies, per beneficiary, annual financial limitations on expenses considered incurred for outpatient therapy services under Medicare Part B, commonly referred to as “therapy caps.” The therapy caps are updated each year based on the Medicare Economic Index. An exceptions process to the therapy caps for reasonable and medically necessary services was required by section 5107 of the Deficit Reduction Act of 2005. The exceptions process for the therapy caps has been continuously extended several times through subsequent legislation. Most recently, section 202 of the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA) extended the therapy cap exceptions process through December 31, 2017.

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Additional Information

The official instruction, CR 9448 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3417CP.pdf> on the CMS website.

For more information on the therapy caps and other issues related to outpatient therapy services, please see the Therapy Services webpage at <https://www.cms.gov/Medicare/Billing/TherapyServices/index.html> on the CMS website.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/index.html> under - How Does It Work.

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