

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



Revised product from the Medicare Learning Network® (MLN)

- [ICD-10-CM/PCS Billing and Payment Frequently Asked Questions](#), Fact Sheet (ICN 908974)

MLN Matters® Number: MM9223 **Revised**

Change Request (CR) #: CR 9223

Related CR Release Date: October 7, 2015

Implementation Date: January 1, 2016

Related Transmittal #: R3367CP

Effective Date: January 4, 2016

Applying Therapy Caps to Maryland Hospitals

Note: This article was revised on October 8, 2015, to reflect the revised CR9223 issued on October 7. In the article, the CR release date, transmittal number, and the Web address for accessing CR9223 are changed. All other information remains the same.

Provider Types Affected

This MLN Matters® Article is intended for Maryland hospitals that provide therapy services and submit claims to Medicare Administrative Contractors (MACs) for services to Medicare beneficiaries.

Provider Action Needed



STOP – Impact to You

Change Request (CR) 9223 revises Original Medicare systems to ensure therapy services provided in Maryland hospitals are subject to the outpatient therapy per-beneficiary caps.

Disclaimer

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**CAUTION – What You Need to Know**

In earlier CRs, the therapy cap provisions were inadvertently not applied to Maryland hospitals when Section 3005 of the Middle Class Tax Relief and Job Creation of 2012 (MCTRJCA) applied them to other outpatient hospitals described in Section 1833(a)(8)(B) of the Social Security Act. CR9223 corrects this oversight. It also includes corrections and clarifications to various sections of Chapter 5 of the “Medicare Claims Processing Manual.”

**GO – What You Need to Do**

Make sure that your billing staffs are aware of these system revisions related to therapy services provided in Maryland hospitals.

Background

Section 3005 of the Middle Class Tax Relief and Job Creation Act of 2012 (MCTRJCA) required Original Medicare to temporarily apply the therapy caps (and related provisions) to the therapy services furnished in an outpatient hospital.

These provisions have been extended several times by additional legislation. They were implemented by Change Request (CR) 7785, effective October 1, 2012. (MM7785 can be viewed at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7785.pdf> on the CMS website.) To account for future extensions of the effective dates, in January 2013, CR7881 created a mechanism that MACs use to update a screen of ‘legislation effective’ indicators in their claims processing systems. (MM7881 can be viewed at <http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/downloads/MM7881.pdf> on the CMS website.)

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Key Points

CR9223 implements the following policies:

- Original Medicare pays outpatient therapy services furnished in Maryland hospitals at rates established under the Maryland All-Payer Model.
- The therapy caps and related provisions described at Section 1833(g) apply to hospitals paid under the Maryland All-Payer Model.
- Medicare will use the rates established under the All-Payer Model to count the therapy services of Maryland hospitals toward the therapy caps and threshold total of beneficiaries.

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Additional Information

The official instruction, CR9223 issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3367CP.pdf> 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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