

Program Memorandum Intermediaries

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal A-03-011

Date: FEBRUARY 14, 2003

CHANGE REQUEST 2366

SUBJECT: Changes in Payment for Certain Services Provided by Outpatient Physical Therapy (OPT) Providers Under the Medicare Physician Fee Schedule (MPFS)

Background

Outpatient rehabilitation services, (physical therapy, including outpatient speech-language pathology services and occupational therapy services) furnished by an OPT provider are paid under the MPFS as required by Section 4541(a)(2) of the Balanced Budget Act (BBA) (P.L. 105-33). All other outpatient services are currently paid on a reasonable cost basis with the exception of orthotic devices which are paid under the orthotic fee schedule. This Program Memorandum (PM) identifies services that may be provided in an OPT, and provides the appropriate payment methodology for those services.

Outpatient Rehabilitation HCPCS Codes

OPTs may bill for the following outpatient rehabilitation HCPCS codes. Payment is made under the MPFS.

29065	29075	29085	29086	29105	29125	29126	29130	29131	29200
29220	29240	29260	29280	29345	29355	29365	29405	29425	29445
29505	29515	29520	29530	29540	29550	29580	29590	64550	90901
90911	92506	92507	92508	92526	92601	92602	92603	92604	92607
92608	92609	92610	92611	92612	92614	92616	95831	95832	95833
95834	95851	95852	96000	96001	96002	96003	96105	96110	96111
96115	97001	97002	97003	97004	97012	97016	97018	97020	97022
97024	97026	97028	97032	97033	97034	97035	97036	97039	97110
97112	97113	97116	97124	97139	97140	97150	97504**	97520	97530
97532	97533	97535	97537	97542	97601	97703	97750	97799*	V5362*
V5363*	V5364*	G0281	G0283	0020T***		0029T***		G0279***	
G0280***									

*The physician fee schedule abstract file described below does not contain a price for codes 97799, V5362, V5363, and V5364 since they are priced by the carrier. Therefore, contact your carrier to obtain the appropriate fee schedule amount in order to make proper payment for these codes.

**Code 97504 should not be reported with code 97116. However, if code 97504 was performed on an upper extremity and code 97116 (gait training) was also performed, both codes may be billed with modifier 59 to denote a separate anatomic site.

***The physician fee schedule abstract file described below does not contain a price for codes 0020T, G0279, G0280 and 0029T. Therefore, contact the carrier to determine if they are covered and if so, to obtain the appropriate fee schedule amount in order to make proper payment for these codes.

The above list of outpatient rehabilitation HCPCS codes supercede those codes listed in §3653 of the Part A Medicare Intermediary Manual. Section 3653 will be updated in the future to reflect the above list of HCPCS codes.

CMS-Pub. 60A

NOTE: The above list of codes contain commonly utilized codes for outpatient rehabilitation services. You may consider other codes for payment under the MPFS as outpatient rehabilitation services to the extent that such codes are determined to be medically reasonable and necessary and those that could be performed within the scope of practice of the therapist billing the code.

Additional HCPCS Codes

OPTs may also bill for the following non-outpatient rehabilitation HCPCS codes:

95860, 95861, 95863, 95864, 95867, 95869, 95870, 95900, 95903, 95904, 95934, G0237, G0238*, G0239*

*The physician fee schedule abstract file described below does not contain a price for codes G0238 and G0239, since they are priced by the carrier. Therefore, contact your carrier to obtain the appropriate fee schedule amount in order to make proper payment for these codes.

NOTE: The above list of codes is intended to facilitate your ability to pay claims under the MPFS. It is not intended to be a list of all covered OPT services and does not assure coverage of these services.

New Payment Requirement for Intermediaries

Effective with claims with dates of service on or after July 1, 2003, OPTs/Outpatient Rehabilitation Facilities (ORFs), (74X bill type) are required to report all their services utilizing HCPCS. You are required to make payment for these services under the MPFS unless the item or service is currently being paid under the orthotic fee schedule or the item is a drug, biological, supply or vaccine (see below for an explanation of these services).

CMS currently provides you with a Comprehensive Outpatient Rehabilitation Facility (CORF) supplemental file that contains all physician fee schedule services and their related prices. Use this file to price and pay OPT claims. See PM AB-02-090, dated September 27, 2002, for the format of the record layout. You will be notified in a separate PM of updates to this file and when it will be available for retrieval.

If you receive a claim for one of the above HCPCS codes with dates of service on or after July 1, 2003, that does not appear on the CORF supplemental file you currently use to pay the CORF claims, contact your local carrier to obtain the price in order to pay the claim. When requesting the pricing data advise the carrier to provide you with the non-facility fee.

Drugs and Biologicals

Drugs and biologicals do not apply in an OPT setting. Therefore, advise your OPTs not to bill for them.

Supplies

Some OPTs are currently being reimbursed for supplies on the basis of reasonable cost. However, since supplies are part of the practice expense, under the MPFS these expenses are already taken into account in the practice expense relative values. Therefore, OPTs should not bill for the supplies they furnish.

Vaccines

OPTs should not be providing influenza, pneumococcal pneumonia and Hepatitis B vaccines and their administration. This supercedes current instructions in §3660.7 of the Medicare Part A Intermediary Manual which indicates payment is on a reasonable cost basis.

Provider Education

This information must be shared with providers through your Web site within two weeks and published in your next regularly scheduled bulletin.

The *effective date* of this PM is July 1, 2003.

The *implementation date* for this PM is July 1, 2003.

These instructions should be implemented within your current operating budget.

This PM may be discarded July 1, 2004.

If you have any questions, contact your local regional office.