

---

# Medicare

## Provider Reimbursement Manual

### Part 1, Chapter 14, Reasonable Cost of Therapy and Other Services Furnished by Outside Suppliers

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

---

Transmittal 469

Date: May 8, 2015

---

<u>HEADER SECTION NUMBERS</u>	<u>PAGES TO INSERT</u>	<u>PAGES TO DELETE</u>
1499 (Cont.) - 1499 (Cont.)	14-75 - 14-76 (2 pp.)	14-75 - 14-76 (2 pp.)

**CLARIFIED/UPDATED MATERIAL--*EFFECTIVE DATE*:** The inflation factors are applied at the beginning of a cost reporting period.

Section 1499, Exhibit C-3 Adjusted Hourly Salary Equivalency Amount Monthly Inflation Factors For Critical Access Hospitals (CAH) and CAHs With Swing Beds, provides inflation factors to be applied to the published April 10, 1998 physical therapy, respiratory therapy, occupational and speech-language pathology guideline amounts at the start of a provider's cost reporting period and remain in effect for the entire cost reporting period.

CAHs and CAH swing beds are not paid under any prospective payment system, and continue to be paid on the basis of reasonable cost; therefore, the salary equivalency guidelines continue to apply to them. Exhibit C-3 provides adjusted hourly salary equivalency amount monthly inflation factors for cost reporting periods beginning on or after April 2001.

This transmittal updates Exhibit C-3 by adding factors for the months of October 2015 through September 2016 based on the Composite Therapy Index from IHS Global Insight, Inc.

**DISCLAIMER:** The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged.

**Exhibit C-3 (Cont.)**

Dec-08	1.44288
Jan-09	1.44766
Feb-09	1.45246
Mar-09	1.45520
Apr-09	1.45794
May-09	1.46069
Jun-09	1.46678
Jul-09	1.47290
Aug-09	1.47904
Sep-09	1.48157
Oct-09	1.48411
Nov-09	1.48666
Dec-09	1.49238
Jan-10	1.49813
Feb-10	1.50390
Mar-10	1.50662
Apr-10	1.50935
May-10	1.51208
Jun-10	1.51817
Jul-10	1.52430
Aug-10	1.53045
Sep-10	1.53391
Oct-10	1.53738
Nov-10	1.54086
Dec-10	1.50040
Jan-11	1.50539
Feb-11	1.51039
Mar-11	1.51127
Apr-11	1.51215
May-11	1.51303
Jun-11	1.51563
Jul-11	1.51824
Aug-11	1.52085
Sep-11	1.52163
Oct-11	1.52240
Nov-11	1.52317
Dec-11	1.52818
Jan-12	1.53320
Feb-12	1.53824
Mar-12	1.54126
Apr-12	1.54428
May-12	1.54731
Jun-12	1.55159
Jul-12	1.55589
Aug-12	1.56019
Sep-12	1.56361

REASONABLE COST OF THERAPY AND OTHER SERVICES  
1499 (Cont.) FURNISHED BY OUTSIDE SUPPLIERS

05-15

***Exhibit C-3 (Cont.)***

Oct-12	1.56704
Nov-12	1.57047
Dec-12	1.57546
Jan-13	1.58045
Feb-13	1.58547
Mar-13	1.58832
Apr-13	1.59117
May-13	1.59403
Jun-13	1.59862
Jul-13	1.60321
Aug-13	1.60783
Sep-13	1.61034
Oct-13	1.58027
Nov-13	1.58099
Dec-13	1.58662
Jan-14	1.59227
Feb-14	1.59793
Mar-14	1.59986
Apr-14	1.60179
May-14	1.60372
Jun-14	1.60850
Jul-14	1.61331
Aug-14	1.61812
Sep-14	1.61896
Oct-14	1.61979
Nov-14	1.62063
Dec-14	1.62721
Jan-15	1.63381
Feb-15	1.64044
Mar-15	1.64206
Apr-15	1.64368
May-15	1.64530
Jun-15	1.65104
Jul-15	1.65681
Aug-15	1.66259
Sep-15	1.66425
<i>Oct-15</i>	<i>1.65101</i>
<i>Nov-15</i>	<i>1.65252</i>
<i>Dec-15</i>	<i>1.65956</i>
<i>Jan-16</i>	<i>1.66662</i>
<i>Feb-16</i>	<i>1.67372</i>
<i>Mar-16</i>	<i>1.67560</i>
<i>Apr-16</i>	<i>1.67748</i>
<i>May-16</i>	<i>1.67937</i>
<i>Jun-16</i>	<i>1.68503</i>
<i>Jul-16</i>	<i>1.69071</i>
<i>Aug-16</i>	<i>1.69641</i>
<i>Sep-16</i>	<i>1.69819</i>

1/These monthly inflation factors *are* applied to the published April 10, 1998 physical therapy, respiratory therapy, occupational and speech-language pathology guideline amounts at the start of the provider's next cost reporting period and will remain in effect for the entire cost reporting period.