

Program Memorandum Intermediaries/Carriers

Department of Health and
Human Services (DHHS)
HEALTH CARE FINANCING
ADMINISTRATION (HCFA)

Transmittal AB-01-56

Date: APRIL 11, 2001

CHANGE REQUEST 1498

SUBJECT: Questions and Answers Regarding Payment for the Services of Therapy Students Under Part B of Medicare

This Program Memorandum (PM) is being issued in the form of questions and answers to respond to numerous inquiries regarding payment for the services of therapy students under Part B of the Medicare program.

1. Q. Can services provided by a student be reimbursed under Medicare Part B?
 - A. No, services performed by a student are not reimbursed under Medicare Part B. Medicare pays for services of physicians and practitioners authorized by statute. Students do not meet the definition of practitioners listed in §1861 of the statute.
2. Q. Can a physical or occupational therapist assistant serve as a clinical instructor (CI) for a physical therapist or occupational therapy assistant student while providing services to a Medicare patient that is within their scope of work, and performed under the direction and supervision of the licensed physical or occupational therapist?
 - A. Physical therapist assistants and occupational therapy assistants are not precluded from serving as CIs for therapy students while providing services within their scope of work, and performed under the direction and supervision of a licensed physical or occupational therapist to a Medicare beneficiary.
3. Q. Can services provided by a student with the supervising therapist "in the room" be reimbursed?
 - A. Only the services of the therapist can be billed to Medicare and paid. However, the fact that the student is "in the room" would not make the service unbillable. Medicare would pay for the services of the therapist.
4. Q. The Current Procedural Terminology (CPT) codes for Therapeutic Procedure state, "Physician or therapist are required to have direct (one-to-one) patient contact." What if the provider has some contact with the patient (e.g., 5 minutes direct patient contact time) and then the student assumes responsibility for treatment under supervision?
 - A. The therapist can bill for the direct services he/she provides to patients under Medicare Part B. Services performed by the therapy student are not payable under Medicare Part B.
5. Q. Under the Part A Skilled Nursing Facility (SNF) benefit, the SNF Prospective Payment System allows therapy student services to be counted toward rehabilitation minutes if provided under "line of sight" supervision of the therapist.* Does "line of sight" supervision allow Medicare Part B services to be billed for student services?
 - A. No. "Line of sight" supervision by a therapist does not allow student services to be billed. Services of students are not billable under Medicare Part B.

*Under the SNF Prospective Payment System, payments are based upon the case mix or Resource Utilization Group (RUG) category that describes the patient. In the rehabilitation groups, the

number of therapy minutes delivered to the patient determine the RUG category. Payment levels for each category are based upon the costs of caring for patients in each group rather than providing specific payment for each therapy service as is done in Medicare Part B.

6. Q. Can student supervision be provided under Medicare as “direct supervision” (e.g., on premises and immediately available) rather than “line of sight,” after determining student’s readiness by the therapist? This determination is based on the supervisor’s evaluation of student competence and safety, patient acuity, patient complexity, patient’s functional status and outcomes, and number of visits?
 - A. No. Services provided by students are not billable under Part B.
7. Q. How can learning experiences be adequately provided for therapy students under Medicare if they must always be “in line of sight” even when:
 - The student has been deemed competent in providing therapy or components of care delivery;
 - The student is nearing the completion of a clinical experience; and,
 - The student is nearing completion of the program and is evaluated as competent as an entry-level clinician.
 - A. As previously stated, services of students are not billable under Medicare Part B. The Medicare statute does not include a benefit category for students. This policy applies to all physician and practitioner groups under Medicare. You may wish to consult with physician groups about how they structure their training programs.
8. Q. What if a student who is supervised under “line of sight” by the supervising therapist is treating a patient who is under Medicare Part A on Friday. On Monday, the patient’s coverage changes to Medicare Part B. How does this affect care provided by the student on Monday?
 - A. The payment methodologies for Part A and B therapy services rendered by a student are different. Under the physician fee schedule (Medicare Part B), Medicare pays for services provided by physicians and practitioners that are specifically authorized by statute. Students do not meet the definition of practitioners under Medicare Part B.

The effective date for this PM is April 11, 2001.

Notification of the information in this PM should be published in your next scheduled bulletin.

These instructions should be implemented within your current operating budget.

This PM may be discarded after April 30, 2002.

If you have any questions, contact Roberta Epps on (410) 786-4503.