Overview of the Therapy Threshold of $3,700 for Calendar Year 2013
• **American Taxpayer Relief Act of 2012** extends Part B Outpatient Therapy Caps manual medical review requirements thru December 31, 2013.

• $3,700 Therapy threshold applies to current calendar year services.
  – $3,700 threshold for **Occupational Therapy** services per year.
  – $3,700 combined threshold for **Physical Therapy and Speech Language Pathology** services per year.
How is CMS Implementing this Requirement?

- January 1, 2013 thru March 31, 2013
  - Medicare Administrator Contractors (MACs)
  - Manual medical reviews – completed on every claim at and after the beneficiary’s services exceed $3,700.
  - Critical Access Hospitals (CAHs) are excluded from review
April 1, 2013 thru December 31, 2013

- Recovery Auditors will conduct prepayment manual medical review in 11 demonstration states.
  - CA, FL, IL, LA, MI, MO, NC, NY, TX, OH, and PA.
- CMS will grant an exception to all claims with a KX modifier and Recovery Auditors will conduct postpayment review on all claims in the remaining states.
- Current Additional Documentation Requests (ADR) limits used by the Recovery Audit Program do not apply for prepay or postpay reviews.
- Providers will be notified in writing of review findings.
Manual Medical Review Process

- **Prepayment Review**
  - Providers submit claims to MAC.
  - MAC will send ADR to provider for additional documentation to be sent to the Recovery Auditor.
  - Recovery Auditor will conduct manual medical review within 10 business days.
  - Recovery Auditor will notify the MAC of the payment decision.
  - Recovery Auditor will issue a detailed review results letter to the provider.

- **Postpayment Review**
  - Providers submit claims to MAC.
  - MAC will pay the claim.
  - Recovery Auditor will send ADR for additional documentation to be submitted.
  - Recovery Auditor will conduct manual medical review.
  - Reviews will be completed within 10 business days of receiving the medical record.
  - Recovery Auditor will notify MAC of decision.
  - Recovery Auditor will issue a detailed review results letter to the provider.
Recovery Auditors use esMD and have claim status portals.
Portals post information on the status of the claim review.
Recovery Auditors will send detailed description letter of the review findings to the provider.
PWK can expedite process by sending with claim submission.
No change to appeals process.
MACs will continue to focus of provider education.
What are Medical Review (MR) Education Tools?

- Federal Regulations
- Program Manuals: [http://www.cms.hhs.gov/Manuals/IOM](http://www.cms.hhs.gov/Manuals/IOM). For example, the PIM 100-08 provides instructions to medical review contractors on how to perform their activities.
- National Coverage Decisions (NCDs)
- Local Coverage Decisions (LCDs)
- MLN Matters Articles
- Listserv’s
- Web Posts
- Tweets
Contact Information

• Send therapy questions to: therapycapreview@cms.hhs.gov
• For Recovery Auditor information, please visit: RAC@cms.hhs.gov
• Send medical review questions outside therapy or RA project, CMS Medicaremanualreview@cms.hhs.gov
• For more RA information, please visit: http://go.cms.gov/racprepay
• For esMD questions, contact: Joyce.Davis1@cms.hhs.gov
• For more esMD information, please visit: www.cms.gov/esMD