Overview of the Therapy Threshold of $3,700 for Calendar Year 2013
Legislation

• **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
How is CMS Implementing this Requirement?

• 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 of matching the claim to the medical record.
  • 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 matching the claim to the medical record.
  • Recovery Auditor will notify MAC of decision.
  • Recovery Auditor will issue a detailed review results letter to the provider.
Additional Information

- 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: RAC@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