February 2, 2023

Mr. Gift Tee

Director, Division of Practitioner Services

Center for Medicare

Centers for Medicare & Medicaid Services

7500 Security Blvd.

Baltimore, MD 21244

[Gift.Tee@cms.hhs.gov](mailto:Gift.Tee@cms.hhs.gov)

RE: Computational Errors in Practice Expense Allocations for 97000 Series Codes

Dear Mr. Tee,

APTA and AOTA respectfully request that the CMS direct the RUC to review practice expense computations that were made by the RUC for nineteen codes in the 97000 series when the family of Physical Medicine and Rehabilitation codes were valued in 2017. During the 2017 AMA RUC meeting, the panel reduced the clinical labor inputs based on the CMS formula for MPPR. The result of this action on the part of the panel means that these codes have already received a 50% reduction by the RUC and then receive another 50% reduction under MPPR when a claim is submitted, duplicating the reduction in payment, and resulting in a 75% overall reduction in practice expense even in cases where there is no duplication of the practice expense such as in cleaning equipment after a procedure. As the statement below in the AMA RUC rationale for the valuation of the codes indicates, the codes were treated differently than any other codes in the RUC process.

***The practice expense inputs were reviewed with the understanding that the multiple procedure payment reduction (MPPR) of 50% is in place for the practice expense component for the second and subsequent reporting of a physical medicine and rehabilitation service on the same date of service. The organizations confirmed that it is typical to bill two units of these services in one session. The PE Subcommittee adjusted the clinical staff time where appropriate to account for the MPPR reduction that would occur when two of more units were reported so that clinical staff time was not over-reported or under-reported. The supplies were reviewed in great detail to ensure accuracy and were adjusted to account for the typical units billed and MPPR reductions in a similar fashion to the clinical staff time recommendations. The equipment time was updated to conform to the CMS formula and standards***.

To be clear, the reduction in practice expense for multiple procedures for the 97000 series codes occurs at the time of claim processing but the RUC made the determination to reduce the clinical staff time allocation at the time of valuation resulting in a duplicate reduction in valuation when MPPR is applied.

APTA and AOTA offers the following table comparison for consideration by the CMS.

|  |  |  |  |
| --- | --- | --- | --- |
| **Clinical Labor Activity** | **Standard Package**  **(minutes)** | **97000 CPT Code Survey Recommendation**  **(minutes)** | **97000 CPT Codes Reviewed in 2017 - RUC Final Allocation (minutes)** |
| Greet patient, provide gowning, ensure appropriate medical records are available | 3 | 3 | 1.5 |
| Prepare room, equipment and supplies | 2 | 2 | 1 |
| Prepare and position patient | 2 | 2 | 1 |
| Clean room/equipment by clinical staff | 3 | 3 | 1 |
| Obtain vital signs | 3-5 | 3 | 1 |
| Check status, home care instructions/coordinate visits/interprofessional communication | 3 | 3 | 1.5 |

For all of the therapeutic procedure codes values were recommended and presented based on specialty society survey findings, yet the RUC Practice Expense committee arbitrarily reduced these recommended values by 1/2 or 1/3rd to address potential duplication of practice expense based on applying the CMS MPPR calculation. There are no other codes valued by the RUC that had the same modification made. It is our understanding that the application and calculation of the MPPR policy is done by the Medicare program at the time of claims processing, and not the role of the AMA RUC during code valuation. The AMA RUC values one unit of therapy service, regardless of the number of units of service that may be billed in a session. Further, the RUC in its rationale indicated that they adjusted pre and post service work time based on an expectation of 3-4 procedures billed per session without any clarity around whether it was 3 or 4 procedures and that they adjusted the practice expense inputs based on an assumption of 2 units of a single procedure billed in a session. No data is provided to support the number of procedures or units of procedures assumed to be billed in a therapy session.

These modifications have resulted in a cumulative devaluation of the practice expense for codes routinely billed by physical therapists and occupational therapists. Please refer to the examples below as evidence of this computational devaluation.

Case A

A patient is seen for a physical therapy session. The physical therapist reports one unit of therapuetic exercise (97110) performed using exercise equipment and a hi-lo mat, one unit of neuromuscular re-education (97112) using balance retraining equipment, and one unit of gait training (97116) using practice stairs and ramps. Per the RUC survey and standard guidelines cleaning the room and equipment after a procedure would require 3 minutes. The RUC reduced this to 1 minute for every code. This would mean that the total time allocated for cleaning the room and equipment for three different procedures would be 2 minutes after MPPR is applied. In point of fact for most procedures equipment is unique to the specific procedure and the time required to clean equipment would be 3 minutes for each procedure. For this same patient each procedure would be allocated 2 minutes to prepare and position the patient. Based on the RUC’s calculation this was reduced to 1 minute for each procedure. This would mean that the total time to prepare and position a patient for 3 different procedures would be 2 minutes after MPPR despite the fact that this patient would need to be prepared and positioned differntly for each of these procedures.

Case B

A patient is seen for an occupational therapy session. The occupational therapist reports one unit of self-care retraining for training adaptive meal preparation in the therapy kitchen and 1 unit of therapeutic exercise for resistive upper extremity strength training seated unsupported on the mat table using a 2 pound bar weight. Per the RUC survey and standard guidelines, cleaning the room and equipment after a procedure would normally require/be allowed 3 minutes. The RUC however reduced these 97000 codes to 1 minute for each such that the total time available to clean the room and equipment for both procedures is 2 minutes—1 minute total for each area and equipment. Following MPPR application by CMS, the total time allocated for cleaning the room and equipment for these two very different procedures with separate equipment and supplies would be further reduced to 1 minute total—equaling 30 seconds per procedure to clean/disinfect the equipment and supplies.

APTA and AOTA believe this was a result of an incorrect assumption by the PE committee that a re-calculation should be made to practice expense inputs by the RUC to address potential duplication in practice expense when multiple procedures are billed when, in fact, this same multiple procedure reduction is made by Medicare and other payers at the time a claim is submitted. The associations reiterate that to our knowledge this type of reduction has not been made by the RUC for any other codes.

Our organizations have done a great deal of research and thoroughly reviewed all elements of the methodology applied at the time these codes were re-valued. We request CMS refer these codes back to the RUC for a review of the methodology applied to the practice expense calculations only for these codes.

Thank you in advance for you consideration. If you have additional questions please contact Alice Bell PT, DPT, APTA Senior Health Policy and Payment Specialist at [alicebell@apta.org](mailto:alicebell@apta.org) or 703-706-3180 or Sharmila Sandhu, JD, AOTA Vice President of Regulatory Affairs at [ssandhu@aota.org](mailto:ssandhu@aota.org) or 301-652-6611.

Sincerely,

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