
CMS Manual System

Pub. 100-20 One-Time Notification

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

Transmittal 40

Date: JANUARY 6, 2004

CHANGE REQUEST 3045

I. SUMMARY OF CHANGES: Provider Education Article: Renewed Moratorium on Outpatient Rehabilitation Therapy Caps.

NEW/REVISED MATERIAL - EFFECTIVE DATE: December 8, 2003

***IMPLEMENTATION DATE: January 20, 2004**

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged.

II. CHANGES IN MANUAL INSTRUCTIONS:

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

*III. FUNDING:

These instructions should be implemented within your current operating budget.

IV. ATTACHMENTS:

<input type="checkbox"/>	Business Requirements
<input type="checkbox"/>	Manual Instruction
<input type="checkbox"/>	Confidential Requirements
<input checked="" type="checkbox"/>	One-Time Notification

*Medicare contractors only

One-Time Notification

Pub. 100-20	Transmittal: 40	Date: January 6, 2004	Change Request 3045
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SUBJECT: Provider Education Article: Renewed Moratorium on Outpatient Rehabilitation Therapy Caps

I. GENERAL INFORMATION

A. Background:

This One-Time Notification includes a provider education article that discusses the renewed moratorium on physical therapy, speech-language pathology, and occupational therapy services payment caps for services rendered from December 8, 2003, through December 31, 2005.

B. Policy:

The recently enacted the Medicare Prescription Drug and Modernization Act of 2003 renewed the moratorium on physical therapy, speech-language pathology, and occupational therapy services payment caps for claims received from December 8, 2003 through December 31, 2005. The separate payment caps of \$1590 for outpatient physical therapy and speech-language pathology services combined and \$1590 for outpatient occupational therapy services remain in place for claims received from September 1, 2003, until December 7, 2003, for services provided during that timeframe.

C. Provider Education:

Intermediaries and carriers shall inform affected providers by posting this provider education article on their Web site within 2 weeks. Also, intermediaries and carriers shall publish this same information in their next regularly scheduled bulletin. If they have a listserv that targets affected providers, they shall use it to notify subscribers that information about **Outpatient Rehabilitation Therapy** is available on their Web site.

II. BUSINESS REQUIREMENTS

"Shall" denotes a mandatory requirement

"Should" denotes an optional requirement

Requirement #	Requirements	Responsibility
3045.1	Contractors shall publish attached provider education article on their Web sites as soon as possible, but no later than 2 weeks from the issuance date of this instruction.	FIs, Carriers
3045.2	Contractors shall publish attached provider education article in their next regularly scheduled bulletin.	FIs, Carriers

3045.3	Contractors who have a listserv that targets the affected provider communities shall use their listserv to notify subscribers that information about Outpatient Rehabilitation Therapy is available on their Web site.	FIs, Carriers
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III. SUPPORTING INFORMATION & POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date: December 18, 2003 Implementation Date: January 20, 2004 Pre-Implementation Contact(s): Dorothy Shannon @ (410) 786-3396 Post-Implementation Contact(s): Appropriate regional office	These instructions should be implemented within your current operating budget.
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Attachment

Related Change Request #: 3005

MedLearn Matters Number: MM3005

Related Change Request Release Date: December 8, 2003

Related Change Request Transmittal #: R42CP

Effective Date: December 8, 2003

Implementation Date: December 8, 2003

Renewed Moratorium on Outpatient Rehabilitation Therapy Caps

Provider Types Affected

This Change Request affects providers of outpatient physical therapy, speech-language pathology, and occupational therapy services.

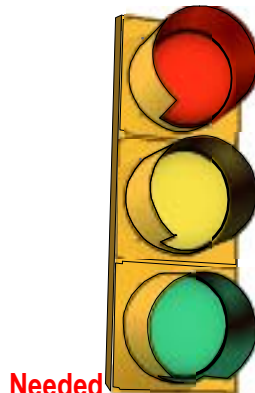
STOP – Impact to You

Beginning December 8, 2003, and continuing through December 31, 2005, there are no payment caps on claims received for the physical therapy, speech-language pathology, and occupational therapy services. The payment caps for these services remain in effect for claims received on September 1, 2003 through [December 7, 2003](#), for services rendered during that timeframe.

CAUTION – What You Need to Know

The recently-enacted Medicare Prescription Drug Modernization Act of 2003 renewed the moratorium on physical therapy, speech-language pathology, and occupational therapy services payment caps, effective on [December 8, 2003](#), and continuing through calendar year 2005. The payment cap on services provided and for which claims were received from September 1, 2003 through [December 7, 2003](#) for outpatient physical therapy and speech-language pathology services combined remains \$1590 and for outpatient occupational therapy services remains \$1590. These caps are based on the allowed incurred expenses, which are defined as the Medicare Physician Fee Schedule (MPFS) amount before the application of any beneficiary deductible and/or coinsurance. Caps apply to claims received during the time caps were in effect.

Provider Action



GO – What You Need to Do

You need to know that the payment caps for these services will not be in effect on claims received from [December 8, 2003](#) through December 31, 2005; therefore, you should not limit services or charge beneficiaries for these covered services based on therapy caps. Essentially, the Medicare payment policies with regard to the cap are the same as those prior to September 1, 2003. **Note that the use of therapy modifiers is still required.**

Background

The Balanced Budget Act (BBA) of 1997 required payment under a prospective payment system for outpatient rehabilitation services (physical therapy, speech-language pathology, and occupational therapy), and also set financial limitations for these services.

The Balanced Budget Refinement Act (BBRA) of 1999 placed a two-year moratorium on these limitations effective January 1, 2000 through December 31, 2001. This moratorium was further extended through December 31, 2002 by the Medicare, Medicaid, and SCHIP Benefits Improvement and Protection Act (BIPA) of 2000.

In 2003, although there was not a moratorium on these payment limitations, their implementation was delayed until September 1, 2003. The financial limitations remain in effect for services provided and claims received for those services from September 1, 2003 through *December 7, 2003*, when the Medicare Prescription Drug Modernization Act of 2003 renewed the moratorium until the end of calendar year 2005.

Important Dates to Know

This Change Request is to be implemented on December 8, 2003, and is effective on *December 8, 2003*.

Related Instructions

To learn more about these issues, look for CR3005 on the Medicare Web site page for 2003 transmittals. For example, that transmittal contains some specific examples of how the caps are computed for the period from September 1, 2003 through *December 7, 2003*. The transmittal page may be accessed at:

http://www.cms.hhs.gov/manuals/transmittals/comm_date_dsc.asp

Should you have any questions, please contact your local Medicare carrier or fiscal intermediary. To find your local Medicare contractor, please visit:

<http://www.cms.hhs.gov/medlearn/tollnums.asp>