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Arrangements for Physical, Occupational, and Speech-Language Pathology Services

Provider Types Affected

Physicians, therapists, providers, clinics.

Provider Action Needed

Physicians, suppliers, and providers should note that this instruction clarifies information regarding arrangements for Medicare Part B outpatient physical therapy, occupational therapy, and speech-language pathology services furnished under arrangements with providers and clinics. Revisions have been made to Chapter 15, Section 220.1 of the *Medicare Benefits Policy Manual (Pub 100-02)*. *Section 220.1 Therapy Services Furnished Under Arrangements with Providers and Clinics* is included in this article for informational purposes. Please note that this information is for clarification purposes only and should not represent any change for providers.

Background

The excerpt from the manual itself is as follows:

"A provider or clinic may have others furnish outpatient physical therapy, occupational therapy, or speech-language pathology services through arrangements under which receipt of payment by the provider or clinic for the services discharges the liability of the beneficiary or any other person to pay for the service.

However, it is not intended that the provider or clinic merely serve as a billing mechanism for the other party. The provider's or clinic's professional supervision over the services requires application of many of the same controls as are applied to services furnished by salaried employees. The provider or clinic must:

- Accept the patient for treatment in accordance with its admission policies;
- Maintain a complete and timely clinical record on the patient which includes diagnosis, medical history, physician's orders, and progress notes relating to all services received;
- Maintain liaison with the attending physician or non-physician practitioner with regard to the progress of the patient and to assure that the required plan of treatment is periodically reviewed by the physician;
- Secure from the physician the required certifications and recertifications; and

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- See to it that the medical necessity of such service is reviewed on a sample basis by the agency's staff or an outside review group.

In addition, when a clinic provides outpatient physical therapy, occupational therapy, or speech-language pathology services under an arrangement with others, such services must be furnished in accordance with the terms of a written contract, which provides for retention by the clinic of responsibility for and control and supervision of such services. The terms of the contract should include at least the following:

- Provide that the therapy or speech-language pathology services are to be furnished in accordance with the plan of care established by the physician after any necessary consultation with the physical therapist, occupational therapist, or speech-language pathologist as appropriate, the physical therapist who will provide the physical therapy services, the occupational therapist who will provide the occupational therapy services, or the speech-language pathologist who will provide the speech-language pathology services;
- Specify the geographical areas in which the services are to be furnished;
- Provide that personnel and services contracted for meet the same requirements as those which would be applicable if the personnel and services were furnished directly by the clinic;
- Provide that the therapist will participate in conferences required to coordinate the care of an individual patient;
- Provide for the preparation of treatment records, with progress notes and observations, and for the prompt incorporation of such into the clinical records of the clinic;
- Specify the financial arrangements. The contracting organization or individual may not bill the patient or the health insurance program; and
- Specify the period of time the contract is to be in effect and the manner of termination or renewal."

Additional Information

To view Chapter 15 of the Medicare Benefits Policy Manual, visit:

http://www.cms.hhs.gov/manuals/102_policy/bp102index.asp

Once at that site, scroll down to Chapter 15 and select the file version you wish to receive.

The official instruction issued to your carrier regarding this change may be found by going to:

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

From that web page, look for CR3134 in the CR NUM column on the right, and click on the file for that CR.

If you have any questions, please contact your carrier/intermediary at their toll-free number, which may be found at:

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

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