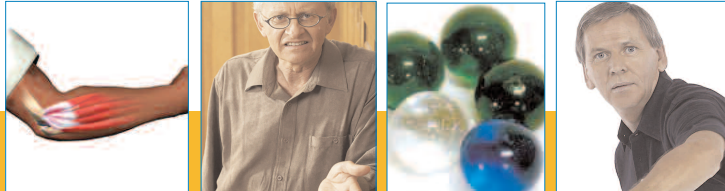


on D.E.C!

Director of Education and Compliance



INSIDE THIS ISSUE... Medicare Payment Updates... Coding... Challenging Behaviors



Quality Assurance UPDATE

Medicare Payment Update Mary Pidich, VP, Quality Assurance

Medicare Payment Update

On December 8, 2006, lawmakers signed the Tax Relief and Health Care Act of 2006. The act extended the Medicare Part B therapy cap exception process for another year and set the 2007 conversion factor for Medicare Physician Fee Schedule (MPFS) at the same level as in 2006 (\$37.8975).

Therapy Caps Exception Process

The Medicare Part B therapy caps exception process was set to expire on December 31, 2006. The 2007 combined \$1,780 cap for physical therapy and speech-language pathology and a separate \$1,780 occupational therapy cap remain. Limits apply to outpatient Part B therapy services from all settings except outpatient hospital and hospital emergency room. The exceptions process allows beneficiaries access to medically necessary outpatient therapy services above the therapy caps.

Transmittals 181, 1145 and 63

On December 29, 2006, the Centers for Medicare and Medicaid Services (CMS) released three Transmittals related to the outpatient therapy caps exception process for calendar year 2007. Implementation date for all three transmittals is on or before January 29, 2007. Transmittal 63 applies to all outpatient therapy settings including hospital outpatient and emergency room settings. EnduraCare Directors of Education and Compliance have developed training materials on these three transmittals and will review the materials in detail with Area Managers. Contact your Area Manager or Director of Rehabilitation to schedule additional conference calls.

**ON DECEMBER 8, 2006,
LAWMAKERS SIGNED THE
TAX RELIEF AND HEALTH
CARE ACT OF 2006.
THE ACT EXTENDED THE
MEDICARE PART B
THERAPY CAP
EXCEPTION PROCESS
FOR ANOTHER YEAR**

Transmittal 181 (Describes Elimination of Manual Process Exceptions for 2007)

In 2006, the therapy caps exception process fell into two categories: Automatic Process Exceptions and Manual Process Exceptions. Beginning January 1, 2007 manual exceptions to the therapy cap are discontinued. Instead, the placement of the KX modifier on the claim shall be interpreted as a request for automatic exception from the cap. Use of the KX modifier shall be interpreted as the therapist's attestation that services provided above the cap are medically necessary.

Transmittal 1145 (Describes Automatic Process Exception Conditions and Complexities that Support Medically Necessary Therapy Services, Use of KX Modifier)

This transmittal provides guidance to clinicians deciding whether to utilize the automatic process exception. Clinicians must consider the following to determine if services over the therapy cap are appropriate:

- the patient's condition including the diagnosis, complexities and severity;
- the services provided including their type, frequency and intensity;
- the interaction of current active conditions and complexities that directly and significantly influence the treatment such that it causes services to exceed the caps

continued on page 2

Update: Medicare Payments

Quality Assurance Update, continued from page 1

AUTOMATIC PROCESS EXCEPTIONS SHOULD OCCUR FOR:

1. Exceptions for Services

- **EVALUATION** - CMS will permit therapy evaluation procedures after the therapy caps are reached when evaluation is medically necessary. The following evaluation procedures are appropriate in 2007:

92506	ST Eval
92610	Swallowing Eval
92616	FEES + laryngeal sensory testing
97003	OT Eval
92597	Voice Prosthetic Eval
92611	Motion fluoroscopic Eval of swallow
96105	Assessment of Aphasia
97004	OT Re-evaluation
92607	Speech Generating Device (SGD) Eval
92612	Flexible fiberoptic endoscopic Eval of swallow (FFES)
97001	PT Evaluation
92608	Additional 30 min for SGD Eval
92614	FFE -laryngeal sensory testing
97002	PT Re-evaluation

- **OTHER SERVICES** - Clinicians and contractors (fiscal intermediaries/carriers) should utilize available evidence (professional literature and guidelines from professional associations) related to the patient's condition to justify provision of medically necessary services to individual beneficiaries

2. Exceptions for Conditions or Complexities Identified by ICD-9 codes

- Clinicians may utilize the automatic process for exception for any diagnosis for which they can justify services exceeding the cap
- The ICD-9 code that best relates to the reason for therapy must be on the claim (for example, when a patient with diabetes is being treated for gait training due to amputation, the preferred diagnosis is abnormality of gait)
- Codes representing the medical condition that caused the treatment are used when there is no code representing the treatment
- Codes labeled as complexities on the ICD-9 list (on pages 4-5) require another condition (either listed or not listed) and documentation for an exception should indicate how the complexity (or combination of complexities) directly and significantly affects treatment for therapy

3. ICD-9 Codes that Qualify for the Automatic Process Exception Based Upon Clinical Condition or Complexity

- Some contractors' (fiscal intermediary/carrier) have Local Coverage Determination (LCD) that do not allow the use of some of the codes listed below but may have additional codes that they do list as conditions/complexities that may support medically necessary therapy services
- Clinicians must utilize the facility/physician contractor LCD codes to describe the patient's condition
- When two codes are listed in the left cell in a row, all the codes between them are also excepted

4. Use of the KX Modifier for Therapy Cap Exceptions

- Providers must add a KX modifier to the therapy Current Procedural Terminology (CPT) code subject to the cap limits
- The application of the KX modifier attests to the medical necessity of the line of service
- The GN (speech), GO (occupational), or GP (physical) therapy modifiers must continue to be used
- Providers may report the modifiers on claims in any order
- If there is insufficient room on a claim line for multiple modifiers, additional modifiers may be reported in the remarks field

Transmittal 63 (Provides Definitions, Documentation Requirements for all Outpatient Therapy, Regardless of Setting)

While released as a transmittal describing outpatient therapy cap exception process for calendar year 2007, Transmittal 63 describes coverage for outpatient rehabilitation services in **all settings** not just settings subject to the therapy caps.

1. Definitions

- **Clinician** - refers to a physician, non-physician practitioner, or a therapist (not an assistant, aide or any other personnel)
- **Therapist** - physical therapist, occupational therapist or speech/language pathologist (not an assistant)
- **Qualified Professional** - therapists, assistants
- **Qualified Personnel** - aides/support personnel
- **Active Participation** - the clinician personally furnishes at least one billable service on at least one day of treatment

MEDICARE PAYMENTS

- Episode of Care – the period of time, in calendar days, from the start of care until discharge
- Interval of Care - one month or 30 calendar days, whichever is more
- Treatment Day - single calendar day on which treatment, evaluation or re-evaluation is provided
- Date - may be in any form (written, stamped or electronic). If a physician certifies a plan of care and fails to date it, staff may add “received date” in writing or with a stamp. The received date is valid for certification/re-certification purposes. If the physician faxes the referral, certification/re-certification and forgets to date it, the date that prints out on the fax is valid.
- Progress Report Period - the minimum Progress Report Period shall be at least once every ten treatment days or at least once during each certification interval, whichever is less. The Progress Report Period requirements are complete when both the elements of the Progress Report and the clinician’s active participation (one billable service on at least one day of treatment) have been documented.

2. Documentation Requirements for Therapy Services -

The actual pieces of documentation do not change with Transmittal 63. We continue to document our evaluations, plans of care, certification/re-certifications, progress reports, treatment notes, and dis-

charge summaries. However, assistant participation in the progress report is limited.

- Assistant Participation in the Progress Report is limited to:
 - Date of the beginning and end of the reporting period
 - Date the report was written
 - Signature and professional identification of the qualified professional who wrote the report
 - Objective reports of the patient’s subjective statements, if relevant
 - Objective measurements of description of change in status relative to each goal currently being addressed
- Clinician Progress Report Content
 - In addition to the items identified in the “assistant” progress report, the clinician/therapist must also include the following:
 - ✓ Assessment of improvement – extent of progress (or lack of progress) toward each goal
 - ✓ Plans for continuing treatment, reference to additional evaluation results, and/or treatment plan revisions
 - ✓ Changes to long or short-term goals, discharge or updates to the plan of care

ENDURACARE TRAINING SEMINAR SCHEDULE – 2007*

COURSE DATE	COURSE NAME	LOCATION	CONTACT PERSON	PHONE	TRAINER
January 12-14, 2007	PAM Certification	Savannah, GA	Becky Fertal	866.439.5909	Bob Latz
January 26-28, 2007	PAM Certification	Savannah, GA	Becky Fertal	866.439.5909	Bob Latz
February 6-7, 2007	Neuro Course	Columbus, OH	Lori Gillen	877.244.9917	Kathleen Drab/Bob Latz
February 6-7, 2007	Balance and Falls	Carlisle, PA	Terri Tamecki	717.443.5735	Cynthia Ballentine
February 20-21, 2007	Shoulder Course	Rivers Bend, OH	Lori Gillen	877.244.9917	Kathleen Drab/Bob Latz
March 15, 2007	Dementia Staging	Marion, IL	Kelli Baumert	402.213.2634	Cynthia Ballentine
March 24, 2007	Treatment of the Shoulder	Eastern Shore, VA	Jill Smith	404.843.6010	Kathleen Drab
March 27-28, 2007	Strain/Counterstrain-Positional Release	Rhode Island	Sue Lewis	877.244.9917	Bob Latz/Kathleen Drab

*As of January 3, 2007