

# 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.
- 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 receiving 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.

# Education Tools/Resources

## What are Medical Review (MR) Education Tools?

- Federal Regulations
- Program Manuals: <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: [therapycapreview@cms.hhs.gov](mailto:therapycapreview@cms.hhs.gov)
- For Recovery Auditor information, please visit: [RAC@cms.hhs.gov](mailto:RAC@cms.hhs.gov)
- Send medical review questions outside therapy or RA project, CMS [Medicaremanualreview@cms.hhs.gov](mailto:Medicaremanualreview@cms.hhs.gov)
- For more RA information, please visit: <http://go.cms.gov/racprepay>
- For esMD questions, contact: [Joyce.Davis1@cms.hhs.gov](mailto:Joyce.Davis1@cms.hhs.gov)
- For more esMD information, please visit: [www.cms.gov/esMD](http://www.cms.gov/esMD)