

## **CMS Issues Guidance Regarding Medicare Therapy Service (Post Therapy Cap)**

The Centers for Medicare and Medicaid Services (CMS) has released [guidance for processing therapy claims](#). CMS' guidance includes a [frequently asked questions document on the appropriate use of the advanced beneficiary notice \(ABN\)](#) and a [beneficiary fact sheet](#) that speech-language pathologists (SLPs) can share with their patients.

The following information is useful for SLPs:

- There is **one KX modifier threshold of \$2,010 for speech-language pathology and physical therapy combined** and a separate KX modifier threshold for occupational therapy. The KX modifier threshold will continue to be updated annually by the Medicare Economic Index (MEI). Applying the KX modifier is an attestation that the continued service is medically necessary.
- There is a **targeted medical review (TMR) threshold of \$3,000** (one for speech-language pathology and physical therapy combined and one for occupational therapy). The KX modifier is still required on claims above \$3,000.
- Claims above \$3,000 will only be reviewed if the therapist meets targeting criteria, such as the therapist has higher utilization than his/her peers.

Medicare criteria for coverage of therapy services remains the same regardless of any financial thresholds established by Congress. Therefore, all services provided must be medically necessary, require the skills of the therapist, and be designed to improve or maintain the patient's level of function. The TMR threshold applies to fee-for-service Medicare (Part B in most settings). Medicare Advantage (Part C) policies differ from plan to plan.

### **Background**

In February 2018, Congress passed the Bipartisan Budget Act of 2018, repealing the hard cap on outpatient therapy services and replacing it with a targeted utilization threshold of \$3,000. Once the \$3,000 threshold is exceeded, claims could be subject to additional review to ensure medical necessity. ASHA estimates that very few claims above the threshold will likely be reviewed because of the limited resources available to CMS to carry out TMR.

Although the change went into law in February, CMS only recently issued guidance for providers and beneficiaries.

### **Questions?**

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