

2021 THERAPY QUICK GUIDE

Essentials to Navigate the Cuts to Medicare Therapy Reimbursements

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Overview

The 2021 Medicare Physician Fee Schedule Final Rule (CMS-1734-F) was posted on Wednesday, December 2nd, 2020, with the news that the fee schedule projected an average of 9 percent cuts to therapy codes. Relief came with The Consolidated Appropriations Act of 2021, signed into law on December 27th, 2020, which kept the government open, provided for various forms of COVID-19 relief, and added \$3 billion to the Physician Fee Schedule.

While therapists appeared to receive a “raise,” the reality is that payment is still being reduced in 2021 for most therapy codes in the vicinity of 3.2 to 3.6 percent, rather than the projected 9 to 10 percent cuts. Both the Final Rule and the Consolidated Appropriations Act contained other news for therapy—an HHS Memo to the State Governors indicated the Public Health Emergency is likely to extend through 2021.

Disclaimer

This information is believed to be accurate as of Monday, January 31st, 2021. Due to the COVID-19 Pandemic and the subsequent Public Health Emergency, new and/or clarified information is likely to be released. Check with your state and national association as well as other payers to stay current regarding telehealth as well as other billing and coding requirements. Content within does not imply consulting or legal advice.

Takeaways

The Fee Schedule “Raise”

It is estimated that PT, OT, and SLP will see a reduction in the 3.6+/- percent range. The actual decrease from 2020 payment to 2021 payment will depend on practice patterns, code utilization, and Medicare localities. Check with your Medicare Administrative Contractor’s Part B website to find their “Fee Schedule Look-Up Tool” for your jurisdiction. CMS has also updated the Fee Schedule Look-Up Tool on their website.

The Therapy Threshold

For 2021, the [Therapy Threshold](#), FKA the Therapy Cap, will be \$2,110 for physical therapy and speech-language pathology combined, and \$2,110 for occupational therapy. This was announced by CMS in Transmittal 10464 to the Claims Processing Manual. The effective date is 1/1/2021, with an implementation date of 1/4/2021. The medical review threshold, FKA Manual Medical Review, remains at \$3,000 until 2028. The KX modifier serves as an attestation of medical necessity for all claims over \$2,110.

Maintenance Therapy

Maintenance therapy will now be able to be delegated to physical therapist assistants (PTAs) and occupational therapy assistants (COTAs). [Maintenance therapy](#) delegated to PTA/COTA for Part B services was implemented during the COVID-19 Public Health Emergency and is now finalized by CMS.

Students

The Final Rule clarified that [Physicians and Certain Nonphysician Practitioners \(NPPs\), including therapists](#), can review and verify documentation entered into the medical record by members of the medical team for their own services that are paid under the PFS. Therapy students, and students of other disciplines, working under a physician or practitioner who furnishes and bills directly for their professional services to the Medicare program, may document in the record so long as the documentation is reviewed and verified (signed and dated) by the billing physician, practitioner, or therapist.

Telehealth

The news on telehealth and communication technology-based services (CTBS) is mixed for outpatient physical therapy, occupational therapy, and speech language pathology. PT, OT, and SLP were not added to the list of eligible distant health practitioners; however, a number of therapy codes were added to the list of telehealth codes on a Category 3 basis. These are able to be provided by PT, OT, and SLP until the end of the Public Health Emergency. Following the end of the PHE, these selected therapy codes will be able to be provided by PT, OT, and SLP incident to the services of a physician.

Nuances related to the delivery of telehealth and CTBS exist for private practice therapists (Part B Suppliers) and to therapists in institutional settings (Part A Providers), including hospitals, SNFs, rehab agencies, CORFs, and home health.

2021 Therapy Practice Resource Checklist

- ✓ [Medicare Deductible for 2021](#)
- ✓ [Medicare Fee Schedule Look-Up Tool](#)
- ✓ [2021 Annual Update of Per-Beneficiary Threshold Amounts](#)
- ✓ [CMS 2021 Annual Update to the Therapy Code List](#)
- ✓ [CCI Edits for Q.1 2021](#)
- ✓ [ABN Form and Instructions](#)

Ongoing Therapy Practice Reading List

[11 Part B Billing Scenarios for PTs and OTs \(Individual vs. Group Treatment\)](#)

[Medicare Benefits Policy Manual, Ch. 15, Sections 220–230](#)

[Medicare Benefits Policy Manual, Ch. 12 \(CORFs\)](#)

[Medicare Claims Processing Manual, Chapter 5](#)

How can MedBridge help your organization navigate the cuts to Medicare therapy reimbursements?

As therapy practices work to address the new challenges posed by the therapy cuts, it's become even more vital to leverage innovative solutions to help improve quality and offset decreased reimbursements. The [MedBridge Virtual Care and Engagement Solution](#) helps organizations better engage patients, scale care delivery, and improve consistency of care overall, ultimately reducing costs and improving patient outcomes.