

House Republicans Release Year-End Bill – Therapy Cap Language Included

The House Republicans filed their year-end legislative proposal this morning called the Middle Class Tax Relief and Job Creation Act. The main items included regarding the Medicare therapy cap are:

Duration - Provides a two year extension of the exceptions process.

- **Modifier** - Mandates consistent use of the KX modifier at the cap (\$1880 for 2012)
- **Manual Medical Review** - Starting on July 1, 2012 patients who meet or exceed \$3,700 in therapy expenditures will be subject to a manual medical review. The legislation designates that this medical review will be similar to the process used following DRA implementation in 2006. The \$3,700 threshold will be applied to the combined PT/Speech cap and a separate \$3,700 threshold will be applied to the OT cap. CMS must implement these changes in a timely manner and may do so through program instruction.
- **NPI** - Starting July 1, 2012, each request for payment must include the national provider identifier of the physician who currently periodically reviews the plan of care.
- **Outpatient Hospital Settings** - Starting January 1, 2012 the provisions of this language will apply to hospital outpatient setting
- **MedPAC** - Not later than March 1, 2013, MedPAC shall submit to the House Energy and Commerce Committee, House Ways and Means Committee and the Senate Finance Committee a report on how to improve the outpatient therapy benefit. The report will include recommendations on how to reform the payment system so that the benefit is better designed to reflect individual acuity, condition and therapy needs of the patient.

Also the Republican House proposal includes updates to the Medicare Physician Fee Schedule Sustainable Growth Rate (SGR) for 2012 and 2013 by 1%. This negates a scheduled 27.4% reduction in payments to providers (including physical therapists that bill the MPFS).

Remember this is only one step in the process. The House is expected to vote on this legislation next week and the Senate still needs to unveil their proposal and also vote on it. Since both versions will be different the House and Senate must come to an agreement on one final bill and pass it before it gets to President Obama's desk. This has a tough path to the President's desk in the next week to 10 days and could change or not succeed, so our advocacy efforts must continue.