

On December 22, President Obama signed the Department of Defense Appropriations Act of 2010, which temporarily suspends for 2 months the 21.9% Medicare physician fee schedule payment cut that was to be implemented on January 1, 2010. This will hold the conversion factor at 2009 levels through February 28, 2010, to enable physicians, physical therapists, and other health care providers to continue to care for Medicare patients while waiting for Congress to vote on a permanent solution.

The Department of Defense Appropriations Act **did not** include language to extend the therapy cap exceptions process or rural payment floor updates. APTA worked aggressively to add an extension of the therapy cap exceptions process to this bill but was unsuccessful. In suspending the fee schedule cuts until February 28, members of Congress believed that individuals would not hit the therapy cap in 2 months, and as a result did not extend the exceptions process. APTA disagrees with Congress's reasoning.

On January 1, a \$1,860 per year/per beneficiary cap for outpatient physical therapy and speech language pathology services combined, and an \$1,860 cap for outpatient occupational therapy services (hospital outpatient departments are exempt), will go into effect -- **without** an exceptions process. The KX modifier used to signify care that is medically necessary when the therapy cap amount is exceeded will no longer be applicable.

In addition, a 1.0 minimum floor on the work Geographic Practice Cost Index (GPCI) values that were established by Congress will expire on January 1, 2010. The expiration of this floor will result in reductions in payments in 2010 for 54 localities.

The Senate's and House of Representatives' comprehensive health care reform proposals -- the Patient Protection and Affordable Care Act (HR 3590) and the American's Affordable Health Choices Act (HR 3962) -- contain provisions to extend the therapy cap exceptions process and update the rural payments. On December 24, the Senate passed HR 3590. However, the bill now must be merged with the House's reform bill. It is unlikely that negotiations on a final health care bill will begin before January 5, 2010. To view a summary of HR 3590 and HR 3962, please visit APTA's [Health Care Reform Resource Center](#).

APTA will continue to work vigorously in the new year and throughout the House and Senate conference process to ensure that the final bill positively addresses key issues for physical therapy, such as the therapy cap and the fee schedule payment cuts, to preserve patients' access to needed physical therapy services.

Keep informed of the legislative activities on Capitol Hill by joining [PTeam](#), APTA's grassroots network. As a member of [PTeam](#), you will receive up-to-date information on what is happening on Capitol Hill and how you can support APTA's efforts to remove the arbitrary therapy cap on outpatient services to Medicare beneficiaries.