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LONG TERM CARE & SENIOR LIVING BLOG

CMS Changes the Manual Medical Review of Therapy Claims Above the $3,700 Threshold and Extends Therapy Cap Exception

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On February 9, 2016, CMS issued an update announcing changes related to the Medicare Access and CHIP Reauthorization Act of 2015 (MACRA), signed into law on April 16, 2015. The changes extend the therapy cap exception process through December 31, 2017.

MACRA also modifies the requirement for manual medical review for services over the $3,700 therapy thresholds. While MACRA eliminated the requirement for manual medical review of all claims exceeding the thresholds, it now instead allows a targeted review process using a supplemental medical review contractor (SMRC) for the audits. The Recovery Auditors are prohibited to conduct these reviews.

CMS has designated Strategic Health Solutions as the SMRC to perform these post-payment medical reviews meeting the $3,700 therapy thresholds.

Claims will be selected for review based on two factors:

1. Providers with a high percentage of patients receiving therapy beyond the threshold as compared to their peers during the first year of MACRA.
2. Therapy provided in skilled nursing facilities (SNFs), therapists in private practice, and outpatient physical therapy or speech-language pathology providers (OPTs) or other rehabilitation providers.

For CY 2015, the limit on incurred expenses (therapy cap) is $1,940 for physical therapy (PT) and speech-language pathology services (SLP) combined and $1,940 for occupational therapy (OT) services.

This medical review process will be focused on evaluating the number of units/hours of therapy provided in a day.

This news may have a profound impact on therapy services and long-term care facilities. Post payment reviews often result in funds being recouped and claims subject to the arduous appeal process. Now is the time for those healthcare providers to check the services provided to determine their risk for claims above the $3,700 threshold. In the event the providers are subject to manual medical review, they need to ensure their charts are appropriately documented to survive the review process. Qualified counsel can help with this process, both prior to review when providers receive an Additional Document Request (ADR) letter, as well after review if they have denied claims requiring appeal. If your business is above the threshold, meet with your attorney now.

By Denise Bloch

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