



Medicare Proposes Tiered Outpatient Therapy Evaluation Codes for 2017

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In July, the Centers for Medicare & Medicaid Services (CMS) announced its intent to add several new codes for physical therapy and occupational therapy evaluation under the Medicare Physician Fee Schedule Proposed Rule for Calendar Year 2017.¹ The new codes would replace the current single evaluation code for each discipline with three untimed evaluation codes per discipline, which are tiered based on patient complexity, similar to many physician evaluation and management codes. The new codes would require therapists to determine if the evaluation provided is low complexity, moderate complexity, or high complexity based on multiple factors, including the patient's medical and therapy history, the number of personal factors or co-morbidities impacting the plan of care, the number of performance deficits or elements addressed in the assessment, and the complexity of clinical decision-making required.

To the chagrin of many stakeholders, CMS also determined that reimbursement among the three new evaluation codes will not differ due to concerns about potential fraud and abuse (*i.e.*, upcoding). However, the stratification of evaluation codes will give CMS greater insight into the therapy evaluation process and, ultimately, more data to analyze the value of therapy services in the future. In fact, CMS suggested in the preamble to the Proposed Rule that the agency would need a better understanding of the relative frequency of the use of each specific code before determining the relative value for each code. As a result, providers and therapists should take advantage of all educational opportunities to learn about the new differential coding system and the documentation required to support each level of evaluation.

¹ <https://www.gpo.gov/fdsys/pkg/FR-2016-07-15/pdf/2016-16097.pdf> (last accessed September 12, 2016).

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