Medicare Functional Limitation Reporting for Therapy Services

Beginning in 2013, physical therapists, occupational therapists and speech language pathologists providing outpatient therapy services must submit information on the claim form regarding their patient’s functional limitations. The functional limitation data collection requirement applies to outpatient therapy services provided by hospitals, critical access hospitals, skilled nursing facilities (Part B), comprehensive outpatient rehabilitation facilities, rehabilitation agencies, home health agencies (Part B), and private offices of therapists, physicians and non-physician practitioners. The functional reporting requirement was mandated by the Middle Class Tax Relief Act of 2012 and CMS intends to utilize this information in the future to reform payment for outpatient therapy services.

Under this new rule nonpayable G-codes and modifiers will be included on the claim forms to capture data on the beneficiary's functional limitations at the outset of the therapy episode, at a minimum every 10th visit, and at discharge. Additionally, the therapist's projected goal for functional status at the end of treatment will be reported at these same time intervals. Modifiers will indicate the extent of the severity of the functional limitation.

The reporting of the functional limitations on the claim form will be implemented on January 1, 2013. To assure smooth transition, CMS sets forth a testing period from January 1, 2013, until July 1, 2013. After July 1, 2013, claims submitted without the appropriate G-codes and modifiers would be returned unpaid.

Please see the APTA Functional Limitation Reporting Under Medicare webpage for further details. We will be adding additional resources to the webpage throughout the next several months to assist members with the implementation of these new reporting requirements. In addition, APTA will be recording a webinar that provides an overview of the functional limitation reporting requirements on December 13, 2012 which will be available to members for download.

In Case You Missed It…

APTA has prepared detailed summaries of the Medicare Physician Fee Schedule Rule and the Home Health Prospective Payment System Rule. Click the links above to view summaries of the final rules and to find additional information.