

## Report on Medicare Compliance Volume 28, Number 45. December 23, 2019 CMS Requires Outpatient Therapy Modifiers Jan. 1, With New Formula for OTAs, PTAs

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By Nina Youngstrom

In a week, hospital outpatient departments and other Medicare Part B therapy providers will be required to use modifiers when physical therapist assistants (PTAs) and occupational therapist assistants (OTAs) perform all or some of the therapy services, setting the stage for an outpatient therapy payment reduction. They will apply a formula introduced in the 2020 Medicare Physician Fee Schedule (MPFS) regulation<sup>[1]</sup> to determine whether outpatient therapy was performed “in whole or in part” by the OTA or PTA, which may be confusing when they split services with therapists, experts say. CMS promised additional instructions, but so far there’s no word.

This isn’t exactly a paragon of burden reduction, said Nancy Beckley, president of Nancy Beckley & Associates, at a webinar sponsored by Dec. 12. Compliance in some areas may be challenging unless CMS comes through with the guidance.

The addition of OTA and PTA modifiers is happening at a grim time for outpatient therapy, which has been a little too popular this year with Targeted Probe and Educate (TPE) and faces an 8% Medicare payment cut in 2021. “It may hit some clinics harder than others depending on which codes are reduced and the providers’ treatment and billing patterns,” said Holly Hester, senior vice president of compliance and education at Casamba. There are some bright spots on the coding side, however, with Medicare covering new “sometimes therapy” codes and the American Medical Association’s CPT Panel approving two codes for dry needling.

Modifiers are the pressing new compliance challenge. The mandate comes from the 2018 Bipartisan Budget Act,<sup>[2]</sup> which eliminated the per-beneficiary therapy cap, Beckley said. But there were strings attached: the payment for therapy services provided in whole or in part by PTAs or OTAs will be reduced to 85% of the fees paid to physical and occupational therapists in 2022, Beckley said. For starters, though, therapy providers have to append modifiers to claims for services when they are provided in whole or in part by PTAs and OTAs.

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