

## Report on Medicare Compliance Volume 30, Number 23. June 21, 2021 With SMRC Therapy Reviews, Consider ADR Requests With Wary Eye

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By Nina Youngstrom

It was only a matter of time before postpayment audits would arrive in connection with the permanent end to the hard cap on outpatient physical, occupational and speech therapy that was included in the 2018 Bipartisan Budget Act.<sup>[1]</sup> The audits are here, courtesy of CMS' supplemental medical review contractor (SMRC), Noridian Healthcare Solutions LLC.

The SMRC is conducting reviews of outpatient claims for therapy with 2018 dates of service.<sup>[2]</sup> It's asking for documentation that doesn't always make sense in terms of Medicare requirements, said Nancy Beckley, president of Nancy Beckley & Associates in Milwaukee, Wisconsin. She suggested hospitals, private practices and other providers that perform outpatient therapy explain in their response to the SMRC that they're unable to produce certain records because they're not required by Medicare.

The 2018 Bipartisan Budget Bill ended the therapy cap, which limited Medicare coverage per beneficiary to \$2,010 for physical and speech therapy combined and the same for occupational therapy, although there was an exceptions process. Instead of the cap, Congress created two "thresholds": the first at the amount of what would have been the cap (\$2,110 in 2021) and the second at \$3,000 per beneficiary for physical and speech therapy combined and \$3,000 for occupational therapy. When a patient reaches the therapy threshold, therapists are allowed to provide additional services, but they must use modifier KX on claims as an attestation of their medical necessity, and a targeted review process kicks in. "There are other reviews going on, but the SMRC is the telltale one" because it's a review of charts from 2018, the first year without the cap, and CMS was expected to use the KX modifier and \$3,000 threshold to select therapy claims for medical reviews.

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