

# Report on Medicare Compliance Volume 29, Number 44. December 14, 2020

## Outpatient Therapy Faces Payment Cuts in 2021, Audits Are Underway

---

By Nina Youngstrom

In a double whammy, outpatient therapy providers are facing a 10% payment cut next year and audits by Medicare administrative contractors (MACs) have resumed even though Targeted Probe and Educate (TPE) is on hold because of the COVID-19 public health emergency (PHE). But there's good news on the telehealth front for physical therapists (PTs), occupational therapists (OTs) and speech language pathologists (SLPs), at least in the short term.

The 2021 Medicare Physician Fee Schedule (MPFS) rule<sup>[1]</sup> revalued evaluation and management (E/M) and other codes. The net effect is a payment increase for some physicians and other qualified health practitioners, mainly in primary care. At the same time, about 30 specialties took a hit, along with PTs, OTs and SLPs. "To maintain budget neutrality, there had to be winners and losers," said Nancy Beckley, president of Nancy Beckley & Associates, at a Dec. 10 webinar<sup>[2]</sup> sponsored by [RACmonitor.com](https://www.racmonitor.com).

For example, payment for the most frequently used code in physical therapy, CPT 97110 (therapeutic exercise), will be cut 10.2%, she said. The same goes for number two—CPT 97140 (manual therapy). Occupational therapy faces the same reduction for its top code, CPT 97530 (therapeutic activities). The percentages are based on geographic adjustments that vary by location, she noted.

This document is only available to subscribers. Please [log in](#) or [purchase access](#).

[Purchase Login](#)