Salem Health

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Medicare Part B -Therapy Benefits Explanation

Dear Therapy Patient:

As you may know, Medicare limits or "caps" the amount it will pay for outpatient physical therapy, speech therapy, and occupational therapy services in a calendar year. Your therapist is aware of this financial limitation and can apply for an exception if your care requires medically necessary services—as defined by Medicare—above the cap. This means that you will be able to continue to receive the physical therapy, speech therapy, or occupational therapy services that you need. Your therapist can explain how Medicare defines “medically necessary” and how it applies to your condition and treatment.

It is important that you understand the basic facts about Medicare therapy cap policy. You are encouraged to speak with your therapist about the cap and review the following frequently asked questions to learn more about 2014 Medicare therapy cap guidelines and exceptions:

What is the therapy cap amount for 2014? The annual per beneficiary therapy cap amount for 2014 is $1,920 for outpatient physical therapy and speech-language pathology services combined. There is a separate $1,920 amount for occupational therapy services. If your outpatient therapy services are medically necessary beyond $1920, your therapist can obtain an exception that will enable you to continue therapy.

What provider settings are subject to the therapy cap in 2014? Effective January 1, 2014, if you receive outpatient therapy services in a private practice, a physician's office, a skilled nursing facility, a hospital based outpatient, or a rehabilitation facility the $1,920 therapy cap.

If a Medicare beneficiary receives outpatient physical, speech, or occupational therapy services January-March for a hip replacement and is discharged, then returns in September as a result of a stroke, is there one cap for the first episode of treatment and a new cap for the second episode of treatment? No. The therapy cap is an annual per beneficiary cap.

What is the exceptions process? The exceptions process allows you to receive outpatient therapy services in excess of the cap amount delivered in a calendar year. In 2014 there are two exceptions processes—an automatic exception process and a manual medical review exception process.

What is an "automatic" exception? Your therapist can apply for an automatic exception to the therapy cap by using a special code on your claim form if you require outpatient services above $1,920 that are medically necessary; however this doesn't guarantee payment by Medicare. If Medicare requests the chart notes for therapy services above $1920 and Medicare doesn't believe services were medically necessary you may be responsible.

What is a "manual medical review" exception? If you require therapy services beyond $3,700 and your therapist determines continued care is medically necessary your therapist can apply for a manual medic review. Your therapy appointments will stop until Medicare approves continuation of service. This could take up to 2-3 weeks.

Where can I find more information on the therapy cap?
Medicare beneficiaries can find more information on the cap on the Medicare Website, http://go.cms.gov/MedRev, or call 1-800-MEDICARE (1-800-633-4227). TTY users should call 1-877-486-2048.

Please sign and date to acknowledge you have received explanation regarding your Medicare Part B Therapy benefits.

Signature of Patient
or Representative:____

Date:________________________________

Signature of Therapist:____

Date:_______________________________