13 British American Blvd. | Suite 2 | Latham, New York 12110 | P 518.867.8383 | F 518.867.8384 | www.leadingageny.org

M E M O R A N D U M

TO: RHCF and Community Services Members

FROM: Patrick Cucinelli, Senior Director of Public Policy Solutions

DATE: March 30, 2012

SUBJECT: **CY 2012 Medicare Physician Fee Schedule Data Base**

ROUTE TO: Administrator, CFO, Billing Director

Abstract: CMS updates payment files and policies for the CY 2012 MPFS.

Introduction

The Centers for Medicare and Medicaid Services (CMS) has released Medlearn Matters article # MM7767, entitled: *Emergency March 2012 Update, Middle Class Tax Relief and Job Creation Act of 2012 (MCTRJCA) to the CY 2012 Medicare Physician Fee Schedule (MPFS) Database.*

As discussed in LeadingAge Doc. ID # n00005392, the *MCTRJCA* contains several provisions critical to LeadingAge New York members, including:

- A further extension of the "doc fix" which prevents a 27.4 percent decrease in Medicare Part B rates for all providers; and
- An extension of the therapy caps exceptions process through the end of this year.

For calculating rates under the provisions of the MCTRJCA please refer to the LeadingAge Part B Calculation Tool© .

Additional Details

Also included in the MCTRJCA are extensions to:

1. The moratorium that allows certain pathologists and independent laboratories to bill for the Technical Component (TC) of physician pathology services furnished to hospital patients through June 30, 2012; and

3. The continuation of the Medicare Physician Work Geographic Adjustment Floor.

Further, the MCTRJCA discontinues:

1. The Minimum Payment for Bone Mass Measurement; and

2. The Physician Fee Schedule Mental Health 5 percent Add-On Payments.

Please refer to MM7677 for more details.

Additional Note on Therapy Caps

MM7677 does not provide details on the revisions to the therapy caps exceptions process. For member convenience, we are offering the following information issued in previous LeadingAge New York guidance:

The therapy caps were implemented to limit Medicare Part B payment for therapy services. For 2012, the limit for incurred expenses for these services was set at $1,880 for physical therapy and speech language pathology services combined, and a separate cap of $1,880 for occupational therapy services. However, the spending caps are temporarily expanded (through December 31, 2012) to include spending for therapy services provided in hospital outpatient departments as noted below.

Because therapy caps are determined for a beneficiary on a calendar year basis (January 1 through December 31), all beneficiaries began a new cap for outpatient therapy services received on January 1, 2012. Deductible and coinsurance amounts applied to therapy services count toward the amount accrued before a cap is reached, and also apply for services above the cap where the KX modifier is used. We are currently seeking additional clarification on some of the changes being implemented with this latest renewal of the therapy caps exceptions process.

These changes include:

- Applying the Therapy Caps to hospital outpatient settings. The new law expands the cap to therapy services furnished in a hospital outpatient department (OPD). This was done to prevent a shift in the site of service to higher cost settings once a patient hits their financial limit. More information about the changes affecting hospital OPDs will become available in the future.

- A mandate that Medicare perform manual medical review of therapy services furnished beginning on October 1, 2012, if outpatient therapy service to a beneficiary has reached the dollar aggregate threshold amount of $3,700, including therapy services furnished in hospital outpatient department, for a year.

- Requires that all claims for therapy services furnished on or after October 1, 2012, include the National Provider Identifier of the physician who reviews the therapy plan.

- Providers of outpatient therapy services, including SNFs, are required to continue to submit the KX modifier on their therapy claims, when an exception to the cap is requested for medically necessary services furnished through December 31, 2012.

Additional information about the exception process for therapy services may be found in the Medicare Claims Processing Manual, Pub. 100-04, Chapter 5, Section 10.3.

Please contact me with any questions at pcucinelli@leadingageny.org or call 518-867-8827.

N:\NYAHSA\Policy\pcucinelli\Medicare Rates\March 2012 medlearn matters Part B.doc