

Therapy Caps Exceptions Process

CMS issues additional clarification on the extension of the therapy caps exceptions process.

Please see the following notice from CMS:

The Temporary Extension Act of 2010, enacted on March 2, 2010, extends the therapy cap exceptions process through March 31, 2010, retroactive to January 1, 2010. Outpatient therapy service providers may now submit claims with the KX modifier, when an exception is appropriate, for services furnished on or after January 1, 2010 through March 31, 2010.

The therapy caps are determined on a calendar year basis, so all patients began a new cap on January 1, 2010. For physical therapy and speech language pathology services combined, the limit on incurred expenses is \$1,860. For occupational therapy services, the limit is \$1,860. Deductible and coinsurance amounts applied to therapy services count toward the amount accrued before a cap is reached.

Some therapy providers have been holding claims for services furnished on or after January 1, 2010, for patients who exceeded the cap but qualified for an exception under previous law. These providers may submit those claims to Medicare effective immediately. Therapy providers, who submitted claims which were denied, for services furnished on or after January 1, 2010, for patients who exceeded the cap but whose services now qualify for an exception, should contact their Medicare contractor to request that their claim be adjusted to add the KX modifier and ensure the appropriate exception applies.

A small number of therapy providers continued to submit claims with the KX modifier for services furnished on or after January 1, 2010, even though the exceptions process had expired on December 31, 2009. Medicare contractors held these claims and will now begin to release them for processing. These providers do not need to take any action on the claims that were held.

Providers who charged beneficiaries for services that exceeded caps, which are now payable under the exception process, should refund the beneficiary's cost, less the appropriate amount of deductible and co-insurance. Affected claims should be either submitted or, if already submitted, the provider should contact their contractor for an adjustment.