

“CAP” Memo

Date: 04/01/2010

From: Backway's PT

To: All our Medicare clients

Re: Medicare coverage for PT & ST services for 2010

As of January 1st, 2010, Medicare coverage for Physical Therapy (PT) & Speech Therapy (ST) services, provided in a private outpatient clinic, is subject to the monetary limitation (CAP) of \$1860. This CAP will be applied to each episode, injury, or surgical procedure requiring rehab this year.

Additionally, there are many conditions which qualify for an automatic exemption to this monetary CAP. (Note: As of April 1, 2010, this exemption process is being extended until 12/31/2010).

What this means to you:

- (1) If you are being seen in our clinic, and have maxed out your \$1860 CAP on one diagnosis, but still need more treatment:**
 - We can send an appeal to Medicare to allow you 15 additional treatment visits.
 - **Or** you can transfer to the hospital's outpatient PT/Rehab department for additional treatment (treatments received at YRMC-Rehab department are not subject to the CAP).
 - You also have the option of continuing PT/ST at our clinic and paying privately for the services you receive. **If your appeal is denied**, Medicare **will not cover** these services.
- (2) If you need to receive PT/ST later this year for the same problem/diagnosis and you used your CAP allotment earlier this year:**
 - We can apply to Medicare for additional visits to treat this problem (see #1 above).
 - **Or** you can receive PT/ST at the hospital.
- (3) If you need to receive PT/ST later this year for a different problem/diagnosis and you used your CAP allotment earlier this year:**
 - You qualify for an automatic exemption and can receive an additional \$1860 worth of treatments. Depending on your new problem, the CAP may not apply at all, and your PT/ST may be limited only by medical necessity. **Example:** If you need rehab for a sprained ankle in March, and need PT again in June for back pain, this would be covered.
- (4) You are being seen in our clinic for a complex disorder or condition, affecting multiple joints and you have multiple areas of pain and dysfunction:**
 - You qualify for an automatic exception to the CAP. In this case, the CAP may not apply at all, and your PT/ST may be limited only by medical necessity. We may need a letter from your referring doctor to support this claim to Medicare.
 - Some of the diseases/conditions that qualify for an automatic exception are: Joint Replacements, Osteoarthritis, RA, Osteoporosis with wedging of vertebra, Fractures, Sciatica, Neuropathies, Lumbar Spinal Stenosis, Rotator Cuff disorders, CVA and voice disorders. This is a partial list, and treatment must be related to the disease or condition listed in the Medicare guidelines.
 - There also may be complexities relevant to your condition that will qualify for the CAP exceptions. There is an automatic exception to the CAP for patients who have been discharged from a hospital or SNF within 30 days of starting outpatient PT/ST, or for patients who present a clinically complex situation. This applies to patients who have multiple areas of loss of joint motion and multiple areas of dysfunction that are being treated at the same time, and includes patients whose rate of recovery would be slowed by their generalized musculoskeletal conditions or by conditions affecting multiple sites.

Patient's Name: _____

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- If your doctor believes that the care you need may not be available at the local hospital-based Rehab clinic, they can write a letter to this affect. CMS has implied that this reason may also qualify for an exception to the CAP process for PT/ST furnished in a private, non-hospital based clinic.

The Exception Process:

Medicare/CMS has been using this exceptions process since 2006. When each patient reaches their CAP, Medicare will refuse payment for the service that went over the CAP. We then re-bill the overage using a special code, called a modifier, and Medicare reprocesses the claim. We will take the appropriate actions on your behalf to ensure that your PT/ST Program can continue with little to no interruption. In most cases, you will not need to contact Medicare regarding the exceptions process.

Additional Information:

- **How many treatments can you receive within the CAP limitations:** The “CAP” amount is equal to approximately 15 to 17 one-hour Physical Therapy and/or Speech Therapy visits. This is dependant on the exact types of services you have at each treatment visit.
- **Physical Therapy and Speech Therapy:** This is a combined “CAP” between these two types of rehab services.
- **Secondary Insurance:** If you have a “secondary” insurance policy, they may cover additional services at our clinic, even if Medicare denies coverage. Please ask our reception personnel for a list of questions you can ask your secondary insurer to determine if they will cover your PT/ST if Medicare denies coverage.
- **Supplemental Insurance:** If you have a “medi-gap” policy, they will not cover additional services at our clinic, unless Medicare allows more services. Please ask our reception personnel for a list of questions you can ask your secondary insurer to determine if they will cover your PT/ST if Medicare denies coverage.
- **You have the right to contact your Senator or Representative:** If you want to comment on the Physical Therapy & Speech Therapy CAP, please contact your elected Congressmen. The CAP is legislated by Congress, and can be modified or repealed by them.

We will do our best to keep you informed regarding any changes in the provisions of the PT/ST “CAP” and the current standing of your account regarding the \$1860 limits.

Sincerely,

Ruth Backway, PT

Administrator, Backway’s Physical Therapy, PLLC

I have read the above Memo, and understand that my combined Physical Therapy/Speech Therapy services are subject to a yearly capitation of \$1860 per injury, incident or treatment diagnosis.

I have informed Backway’s PT if I have received any such services in 2010, prior to starting treatment at their clinic.

I understand that, unless my condition qualifies for an exception to the CAP, I am personally responsible for payment for any services provided, that are above the yearly monetary capitation (CAP).

Signed

Date

Patient’s Name: _____