

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



MLN Matters® Number: MM9865

Related Change Request (CR) #: CR 9865

Related CR Release Date: November 4, 2016

Effective Date: January 1, 2017

Related CR Transmittal #: R3644CP

Implementation Date: January 3, 2017

Therapy Cap Values for Calendar Year (CY) 2017

Provider Types Affected

This MLN Matters® Article is intended for physicians, therapists, and other providers submitting claims to Medicare Administrative Contractors (MACs), including Home Health & Hospice MACs, for outpatient therapy services provided to Medicare beneficiaries.

Provider Action Needed

Change Request (CR) 9865, from which this article was developed, describes the amounts and policies for outpatient therapy caps for CY 2017. **For physical therapy and speech-language pathology combined, the 2017 therapy cap will be \$1,980. For occupational therapy, the cap for 2017 will be \$1,980.** Make sure that your billing staffs are aware of these therapy cap value updates.

Background

The Balanced Budget Act of 1997 (P.L. 105-33), Section 4541(c) applies annual financial limitations on expenses considered incurred for outpatient therapy services under Medicare Part B per beneficiary, commonly referred to as “therapy caps.” Therapy caps are updated each year based on the Medicare Economic Index.

An exception for the therapy caps for reasonable and medically necessary services has been in place since CY 2006. Originally required by Section 5107 of the Deficit Reduction Act of 2005, the exceptions process for the therapy caps has been continuously extended multiple times through subsequent legislation.

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The current therapy caps exceptions process, as required by Section 202 of the Medicare Access and CHIP Reauthorization Act of 2015, expires on December 31, 2017.

CR 9865 establishes that therapy caps for CY 2017 will be \$1,980. MACs will update to this amount for physical therapy and speech-language pathology combined, and for occupational therapy.

Additional Information

The official instruction, CR9865, issued to your MAC regarding this change is available at <https://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/Downloads/R3644CP.pdf>.

If you have any questions, please contact your MAC at their toll-free number. That number is available at <https://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/Medicare-FFS-Compliance-Programs/Review-Contractor-Directory-Interactive-Map/>.

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