



**BlueCross BlueShield  
of Vermont**

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## **OCCUPATIONAL THERAPY Corporate Medical Policy**

File name: Occupational Therapy

File code: UM.REHAB.03

Origination: 01/1997 as a component of PT/OT/ST Medical Policy

Last Review: 02/2014 (ICD-10 Remediation only)

Next Review: 07/2014

Effective Date: 01/01/2014

### **Document Precedence**

BCBSVT Medical Policies are developed to provide clinical guidance and are based on research of current medical literature and review of common medical practices in the treatment and diagnosis of disease. The applicable group/individual contract and member certificate language determines benefits that are in effect at the time of service. Since medical practices and knowledge are constantly evolving, BCBSVT reserves the right to review and revise its medical policies periodically. To the extent that there may be any conflict between medical policy and contract language, the member's contract language takes precedence.

## **Medical Policy**

### **Description**

**Occupational Therapy** is defined as therapy that promotes the restoration of a physically disabled person's ability to accomplish the ordinary tasks of daily living or the requirements of the person's particular occupation. Occupational Therapy must include constructive activities designed and adapted for a specific condition.

These services emphasize useful and purposeful activities to improve neuromuscular and musculoskeletal functions and to provide training in activities of daily living (ADL). Other occupational therapy services include the design, fabrication, and use of orthoses, and guidance in the selection and use of adapted equipment.

**Activities of Daily Living (ADL's)** - skills/activities needed in a typical day to perform self care which includes; eating, toileting, bathing, transferring, dressing, and mobility.

### **Policy**

Occupational therapy services are considered **medically necessary** when performed to treat the needs of a patient who suffers from physical impairment due to disease, trauma, congenital anomalies, or prior therapeutic intervention; and services must meet **all** of the following criteria:

- Only include those Occupational Therapy Services that require constant attendance of a licensed occupational therapist (OT), a medical doctor (M.D.), a doctor of osteopathy (D.O.), chiropractor (D.C.), an Athletic Trainer (AT), Podiatrist (DPM), Nurse Practitioner (NP), Advanced Practice Registered Nurse (APRN), or Doctor of Naturopathy (ND). achieve a specific diagnosis-related goal for a patient who has a reasonable expectation of achieving measurable improvement in a reasonable and predictable period of time;
- Provide specific, effective, and reasonable treatment for the patient's diagnosis and physical condition;
- Be delivered by a qualified provider of occupational therapy services. A qualified provider is one who is licensed where required and performs within the scope of licensure;
- Require the judgment, knowledge, and skills of a qualified provider of occupational therapy services due to the complexity and sophistication of the therapy and the physical condition of the patient.
- For ongoing services only when there is clear, measurable progress toward a rehabilitative goal, a less restrictive setting, or other Medically Necessary goal.

Services not meeting the criteria above are considered **not medically necessary**. In addition, certain types of treatment do not generally require the skills of a qualified provider of OT services and are **not medically necessary**. These types of services may include (list may not be all inclusive):

- Repetitive exercises to improve walking and/or running distance, strength, and endurance assisted services in supporting unstable members;
- Passive range of motion (RPOM) treatment, not related to restoration of a specific loss of function;
- Infrared heat, paraffin baths and contrast baths under any circumstances;
- Preventative and maintenance activities;
- Treatment of behavioral problems;
- Treatment for mental retardation;
- Treatment for developmental delay, except for those conditions outlined in the Autism Spectrum Disorder and Early Childhood Developmental Disorders medical policies as eligible (please refer to BCBSVT medical policy on Autism Spectrum Disorder, Coverage of Services and/or Early Childhood Developmental Disorders);
- Care when there is no clear, measurable progress toward a rehabilitative goal, a less restrictive setting or other Medically Necessary goal;
- Services beyond those needed to restore your ability to perform Activities of Daily Living;
- Care for which there is no therapeutic benefit or likelihood of improvement;
- Care, the duration of which is based upon a predetermined length of time rather than the condition of the patient, the results of treatment, or the individual's medical progress;
- Group therapy, group exercise, or occupational therapy performed in a group;
- General conditioning program or self-monitored repetitive exercises or exercise equipment to increase strength and endurance;

- Therapy for a condition when the therapeutic goals of a treatment plan have been achieved and no progress is apparent or expected to occur;
- Any modality not listed in attachment I;
- Therapy services that are regarded as part of custodial care;
- Unattended modalities/services-CPT codes 97010 - 97028 (application of a modality that does not require direct one on one patient contact by provider) do not meet medical necessity criteria as they do not require constant attendance during application of the modality.

Inpatient care is considered **not medically necessary** if the hospital admission is solely for the purpose of receiving occupational therapy.

In addition to those services listed above, all modalities excluded as investigational under the Plan's Physical Therapy Policy are considered investigational if employed in the course of occupational therapy.

### Habilitative Services

Habilitative and rehabilitative services are services provided to achieve normal functions and skills necessary to perform age-appropriate basic activities of daily living, including ambulation, eating, bathing, dressing, speech, and elimination.

Habilitation and rehabilitation services may include respiratory therapy, speech therapy, occupational therapy and physical medicine treatments. Habilitation and rehabilitation services may be performed by those who are qualified to perform such services and do so within the scope of their license. Such services are evaluated based on objective documentation of measurable progress toward functional improvement goals. Measurement methods must be valid, reliable, repeatable, and evidence-based.

Benefits for habilitation and rehabilitation services are available when the services are medically necessary and are covered benefits under the member's contract.

Habilitation is directed at achieving functions and skills that have not developed normally while rehabilitation is directed at restoring functions and skills lost due to disease, injury or other disabling condition.

The following services are not included and therefore not eligible under the scope of habilitation services: custodial care, vocational, recreational and educational services, or services that are considered maintenance in nature.

Additional treatment is not considered medically necessary in the absence of objective documentation of ongoing clinically significant functional improvement being achieved and when there is not a medically reasonable expectation that additional treatment will lead to additional clinically significant functional improvement.

## Administrative and Contractual Guidance

### Benefit Determination Guidance

Only medically necessary OT services are eligible for benefits. To be considered medically necessary the services must meet the guidelines outlined in the Policy section.

Limitations to this benefit apply. Member's benefits may vary according to benefit design; therefore member benefit language should be reviewed before applying the terms of this medical policy. Benefits are subject to all terms, limitations and conditions of the subscriber contract.

Refer to the member's summary of benefits and coverage (SBC) or outline of coverage for availability of benefits.

If the member receives benefits through a self-funded (ASO) group, benefits may vary or not apply. To verify benefit information, please refer to the member's plan documents or contact the customer service department.

For New England Health Plan (NEHP) members an approved referral authorization is required.

Federal Employee Program (FEP) members may have different benefits that apply. For further information please contact FEP customer service or refer to the FEP Service Benefit Plan Brochure.

State or federal mandates (e.g., FEP) may dictate that all devices approved by the U.S. Food and Drug Administration (FDA) (i.e., Iontophoresis devices) may not be considered investigational and thus coverage eligibility of these devices may be assessed only on the basis of their medical necessity.

Coverage requirements differ for members diagnosed with conditions included within the definition of Autism Spectrum and Early Childhood Developmental Disorders for whom occupational therapy services are proposed, in accordance with Act 127 and Vermont Statute 8 V.S.A. § 4088i, respectively.

The plan covers up to 30 outpatient sessions **combined** PT, ST, OT visits per plan year. This maximum applies to sessions provided in the home, an outpatient facility or professional office setting. The maximum number of visits included in covered benefits may vary for specific contracts or products. Please refer to the appropriate subscriber contract for the applicable benefit maximum.

Modality codes 97032 & 97035 are generally considered to be an adjunct to a variety of therapies and when billed by an allopathic, osteopathic, or chiropractic physician, these services do not count against the defined benefit limit for PT, ST, OT combined.

Modality codes 97032 & 97035 will only count as an individual Chiropractic visit if no other chiropractic services are rendered at the same visit.

When other therapeutic techniques (CPT 97110-97535) are billed by any provider (including a chiropractic physician) these services will apply to the defined benefit limit for PT, ST, and OT combined.

The following services are **contract exclusions** and therefore are not covered:

- Biofeedback or other forms of self-care training
- Cognitive training or retraining and educational programs, including any program designed principally to improve academic performance, reading or writing skills.
- Acupuncture, acupressure or massage therapy; hypnotherapy, Rolfing, homeopathic or naturopathic remedies. Note: This does not apply to member's who have the Acupuncture rider.
- Education, educational evaluation or therapy or treatment of developmental delays, therapeutic boarding schools, Services that should be covered as part of an evaluation for or inclusion in a Child's individualized education plan (IEP) or other educational program.
- Treatment solely to establish or re-establish the capability to perform occupational, hobby, sport or leisure activities.
- Work-hardening programs and work-related illnesses or injuries (or those which you claim to be work-related, until otherwise finally adjudicated), provided such illnesses or injuries are covered by workers' compensation or should be so covered. (This provision does not require an individual, such as a sole proprietor or an owner partner to workers' compensation if he or she does not legally need to be covered.)
- Physical fitness equipment, braces and devices intended primarily for use with sports or physical activities other than Activities of Daily Living (e.g., knee braces for skiing, running or hiking); weight loss or exercise programs; health club or fitness center memberships.

OT services in the Emergency Room apply to the PT, ST, and OT combined defined visit benefit limit.

OT services rendered at an inpatient level of care to members in an acute inpatient or rehabilitation facility, or under hospice care, do not apply to the defined benefit limit.

OT therapists are eligible to provide medically necessary DME, subject to the terms, conditions and limitations of the subscriber's contract and therapist status.

**Duplicate therapy** occurs when a patient receives both physical and occupational therapy on the same date of service and the services are the same. The two therapies should provide different treatments. Each therapy must have its own goals and treatment plan.

If member visits one provider for PT and another provider for OT - counts as two visits  
If member visits one provider for OT and another provider for OT - counts as two visits  
If member visits same individual provider for both PT and OT - counts as one visit

## **Billing and Physician Documentation Information**

Click links below for attachments, coding tables & instructions.

[Attachment 1- CPT Code List and Policy Instructions](#)

[Attachment 2- Eligible Diagnosis Codes](#)

### Initial Evaluation

A comprehensive evaluation is essential to determine if OT services are medically necessary, gather baseline data, establish a treatment plan, and develop goals based on that data. An evaluation is needed before implementing any OT treatment.

The plan of care should include:

- Prior functional level, if acquired condition;
- Objective, measurable, and functional descriptions of an individual's deficits using comparable and consistent methods;
- specific statements of long- and short-term goals;
- measurable objectives;
- a reasonable estimate of when the goals will be reached and rehabilitation prognosis;
- the specific treatment techniques and/or activities to be used in treatment;
- the frequency and duration of treatment;
- Discharge plan that is initiated at the start of OT treatment;
- All of the above required information will be documented with clear, legible notes that include the date of treatment and signature of the treating provider.

### Progress Reports

Flow sheets are considered a component of the documented record but are not sufficient in or of themselves, unless they document or note the duration of treatment, modality parameters, and total treatment time, settings and if the provider was in constant attendance or not. This information must be included somewhere in the medical record in either the flow sheet, or in the SOAP note, to support both the procedure codes billed and the medical necessity of procedures performed.

It is also required that documentation demonstrates the progression and improvement of exercises performed, treatment parameters for each, treatment times performed and the total treatment time for the daily sessions and whether the therapist was one-on-one with the patient. When patients are performing independently on exercise equipment (e.g. treadmills, bikes) and a provider is not in constant attendance for evaluation and instruction the provider should not be billing therapeutic procedures.

### Documentation for Constant Attendance Procedures/Modalities

When documentation supports constant attendance therapeutic procedures or modalities

(i.e. 97110, 97112) are being performed; time documentation is required. The amounts of time versus the appropriate number of units to bill are as follows:

- If less than 8 minutes use modifier 52 for reduced services
- If 8-22 minutes bill 1 unit
- If 23-37 minutes bill 2 units, etc.

AN OCCUPATIONAL THERAPY SESSION IS DEFINED AS UP TO 1 HOUR OF OT (treatment and/or evaluation) or up to three OT modalities provided on any given day. In any case billing for the three modalities cannot exceed one hour per session.

A self-pay agreement must be entered into with the member prior to rendering any services described in this policy when members chose to pay, at their own expense for services that exceed the limitations of coverage (i.e. visits beyond the 30 combined visit limit) or any other excluded or non covered services i.e. wellness/preventative physical therapy; care designed to prepare them for specific occupational, hobbies, sports, leisure & recreational activities, acupuncture or massage therapy (not all inclusive). This self pay agreement must be maintained as part of the member's medical record.

### Eligible Providers

M.D. (medical doctor)

D.O. (doctor of osteopathy)

N.D. (naturopathic physician)

Licensed Physical Therapist

Chiropractor (NOTE: in some jurisdictions, chiropractors must be licensed to perform PT services; not all modality services are within the scope of chiropractic practice)

Podiatrist (limited by licensure requirements)

Licensed Occupational Therapist (limited by certification and licensure)

APRN (Advanced Practice Registered Nurse)

Nurse Practitioner

A.T. Athletic trainer

### Related Policies

Physical Therapy

Speech Therapy

Autism Spectrum, Coverage of Services

Early Childhood Developmental Disorders

Chiropractic Services

### Audit Information

BCBSVT reserves the right to conduct audits on any provider and/or facility to ensure compliance with the guidelines stated in the medical policy. If an audit identifies instances of non-compliance with this medical policy, BCBSVT reserves the right to recoup all non-compliant payments.

### Legislative Guidelines

V.S.A. § 4088i-Early Childhood Developmental Disorders.

Vermont Act 127- Autism Spectrum Disorders

## Policy Implementation/Update information

Update: 12/2002, 7/2003, 9/2004, 4/2005	ICD-9 2003 codes changes. Included TVHP, updated attachments. This policy replaces PT/OT policy signed by F. Balco 01/08/1998, effective 01/1997, memo from B.Migliarese dated 03/29/1991 and memo from pricing and coding dated 5/19/1997.
10/2005	PT, ST, OT policies combined into one and updated
10/2006	updated with CPT and diagnoses codes added and minor wording changes
10/2007	Updated format and minor changes made to match current certificate language. Reviewed by CAC 01/2008.
10/2008	Updated. Reviewed by CAC 01/2009
05/2009	ST component removed to separate policy
11/2010	OT component removed to separate policy, updated, diagnosis codes deleted, additional exclusions added (Iontophoresis, phonophoresis, hippotherapy)
8/2011	Updated policy extracted to revised format, grammatical corrections made to allow policy language to fit new format. Autism Mandate Language inserted.
10/13/2011	Medical Clinical Coder reviewed and approved SAF
05/12/2012	removed six months after initiation language
9/2012	Updated policy to reflect ECDD mandate. Minor format changes and some coding additions and changes. Added “audit information” and “legislative guidelines” section. Medical/Clinical Coder RLJ.
11/2013	Added Habilitative language to policy as mandated by Section 1302 of the Affordable Care Act. ICD changes to reflect changes to Autism and ECDD policies.
02/2014	ICD-10 remediation only. The <i>disallowed diagnosis</i> column under ICD-9 column was removed. Only allowed diagnoses are listed. RLJ

## Scientific Background and Reference Resources

A search of literature was completed through the MEDLINE database for the period from January 1980 through November 2010. The search strategy focused on references containing the following Medical Subject Headings:

- Physical Therapy (including review or meta-analysis or practical clinical trial or guidelines) as indexed in the Abridged Index Medicus
- Physical Therapy and Iontophoresis
- Rehabilitation (massage or effleurage or pétrissage or tapotement).

Research was limited to English-language journals on humans.

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**Attachment I**  
**CPT Code List and Policy Instructions**

Code Type	Number	Brief Description	Policy Instructions
<b>The following codes will be considered as medically necessary when applicable criteria have been met.</b>			
CPT	97003-97004	Initial OT evaluation & re-evaluation	
CPT	97032	Application of a modality to 1 or more areas; electrical stimulation (manual), each 15 minutes	Physical medicine and rehabilitation modalities ( <b>constant attendance</b> ).  For this code range, services are measure in 15 minute time units. Units are required in addition to the code for billing with one unit equaling 15 minutes.
CPT	97035	Application of a modality to 1 or more areas; Ultrasound, each 15 minutes	
CPT	97036	Application of a modality to 1 or more areas; Hubbard Tank, each 15 minutes	
CPT	97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility	

CPT	97112	Therapeutic procedure, 1 or more areas, each 15 minutes; neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
CPT	97113	Therapeutic procedure, 1 or more areas, each 15 minutes; aquatic therapy with therapeutic exercises
CPT	97116	Therapeutic procedure, 1 or more areas, each 15 minutes; gait training (includes stair climbing)
CPT	97140	Manual therapy techniques (eg, mobilization/ manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes
CPT	97530	Therapeutic activities, direct (one-on-one) patient contact by the provider (use of dynamic activities to improve functional performance), each 15 minutes
CPT	97532	Development of cognitive skills to improve attention, memory, problem solving (includes compensatory training), direct (one-on-one) patient contact by the provider, each 15 minutes
CPT	97535	Self-care/home management training (eg, activities of daily living (ADL) and compensatory training, meal preparation, safety procedures, and instructions in use of assistive technology devices/adaptive equipment) direct one-on-one contact by provider, each 15 minutes

CPT	97542	Wheelchair management (eg, assessment, fitting, training), each 15 minutes	
CPT	97750	Physical performance test or measurement (eg, musculoskeletal, functional capacity), with written report, each 15 minutes	
CPT	97755	Assistive technology assessment (eg, to restore, augment or compensate for existing function, optimize functional tasks and/or maximize environmental accessibility), direct one-on-one contact by provider, with written report, each 15 minutes	
CPT	97760	Orthotic(s) management and training (including assessment and fitting when not otherwise reported), upper extremity(s), lower extremity(s) and/or trunk, each 15 minutes	
CPT	97761	Prosthetic training, upper and/or lower extremity(s), each 15 minutes	
CPT	97762	Checkout for orthotic/prosthetic use, established patient, each 15 minutes	
HCPCS	G0152	Services performed by a qualified occupational therapist in the home health or hospice setting, each 15 minutes	
HCPCS	S8950	complex lymphedema therapy, each 15 minutes	
HCPCS	S9129	Occupational therapy; in the home, per diem	
REV	0430 0431 0432 0434 0439 0978	Occupational therapy Revenue codes	

<b>The following codes will be denied as Not Medically Necessary</b>			
CPT	97005 97006	Athletic training re-evaluation	
CPT	97034	Application of a modality to 1 or more areas; contrast baths, each 15 minutes	
CPT	97039	Unlisted modality (specify type and time if constant attendance)	
CPT	97139	Unlisted therapeutic procedure (specify)	
CPT	97150	Therapeutic procedure, group	
CPT	97799	Unlisted physical medicine/rehabilitation service or procedure	
CPT	97010	Hot and/or cold packs	The following codes represent modalities which do not require the constant attendance of a trained occupational therapist, and therefore are NOT medically necessary as defined in this policy.
CPT	97012	Traction; mechanical	
CPT	97014	Electrical stimulation (unattended)	
CPT	97016	Vasopneumatic devices	
CPT	97018	Paraffin bath	
CPT	97022	Whirlpool	
CPT	97024	Diathermy (eg, microwave)	
CPT	97026	Infrared	
CPT	97028	Ultraviolet	
HCPCS	G0281- G0283	Electrical stimulation (unattended)	
HCPCS	S8990	Physical or manipulative therapy performed for maintenance rather than restoration	
<b>The following codes will be denied as Investigational</b>			
CPT	96000- 96004	Motion analysis	
CPT	97033	Iontophoresis	
CPT	97533	Sensory integrative techniques	
HCPCS	S9090	Vertebral axial decompression	
<b>The following codes are considered contract exclusions and therefore are NOT</b>			

covered			
CPT	90901	Biofeedback training by any modality	
CPT	90911	Biofeedback training, perineal muscles	
CPT	97124	Therapeutic procedure, massage	
CPT	97537	Community/ work integration	
CPT	97545-97546	Work hardening/conditioning	
CPT	97810-97814	Acupuncture Range	These services may be eligible if the member's group has purchased the Acupuncture rider.
Type of Service		Medical	
Place of Service		Inpatient, SNF, Outpatient Physician's office, Physical Therapist's office, home.	

**Attachment II**

[Click HERE for Applicable ICD \(diagnosis\) code lists](#)