

Therapists faced severe fee schedule reductions and the Therapy Cap (\$1,810 reimbursement cap/patient/year) without any exceptions on July 1, 2008. However, on July 15, 2008 Congress overturned a presidential veto of the MIPPA and patients and providers alike were given a reprieve.

**Some key provisions of the Act are:**

An 18 month extension of the therapy cap exceptions process until December 31, 2009

A continuation of the .5% fee schedule increase (from 2007) for the remainder of 2008 and a 1.1% fee schedule increase for 2009 in the conversion factor

An Extension of the Medicare Work Geographic Practice Cost Index (GPCI) floor under the Medicare physician fee schedule to ensure payment equity and access to services in rural America.

An Increase in the bonus payments for qualified providers that meet the criteria for reporting under the Physician Quality Reporting Initiative (PQRI) from 1.5% to 2.0% for 2009 and 2010 to improve quality in the Medicare program.

***Exercise the correct billing options now*** as the enactment of the Medicare Improvements for Patients and Providers Act of 2008 is retroactive to July 1st.

If you held your Medicare claims through for dates of service for July 1st -15th you:

May submit those claims with the Therapy Cap by-pass modifier (KX) if there is documented evidence that your patient requires intervention exceeding the \$1810 cap

May submit those claims and expect to be reimbursed for covered services at the pre-July 1 rate (Jan-June 30 physician fee schedule) within the next few weeks

If you submitted your Medicare claims for dates of service for July 1st -15th prior to July 16th you:

Should expect payment from Medicare at the 10.6% reduced fee schedule for those dates of service. Medicare will automatically start to reimburse the difference between the two fee schedules within the next few weeks providing you billed at your usual and customary (higher than Medicare rates) or minimally at the January-June 30th allowable rate. If you billed Medicare at the 10.6% reduced level you will need to contact your Medicare contractor regarding payment eligibility (per statute, Medicare pays at the Medicare allowable rate or the billed rate, whichever is less).

Should re-instate any Therapy Cap Exceptions patients and refund any monies collected from patients or alternative payors if the patient was eligible for the Therapy cap