



Therapy Cap Exceptions and What They Mean to You

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CMS has recently released the instructions for implementation of the Therapy Cap exception process.

The instructions provide two categories of exceptions: automatic and manual. We are pleased that CMS has confirmed our approach to providing therapy services to patients who are medically complex and require intensive rehab services. The process also confirms our increased focus on the quality of our documentation and demonstrating medical necessity of our services through the clinical record.

Automatic Exceptions

The automatic exception process focuses on multiple categories of patients. Eighty percent of the 800,000 patients that CMS expects to hit the therapy cap will fall into the automatic exception process. While it does not require prior approval from intermediaries, it does assume that our documentation supports medically reasonable and necessary services, and that our documentation supports the skilled component of our services.

Automatic exceptions will be granted based on broad categories of patients and focused on conditions that meet the exception criteria "on face value." Examples of automatic exceptions include:

- certain medical conditions/complications that increase the complexity of the patient's care and may cause increased need for services
- conditions must be currently relevant, impacting the patient's need for services



- must document the way the complexity impacts the patient's need for services
- any evaluation ordered by the physician, after the cap has been met for that discipline, to determine need for further skilled services
- a patient who was discharged from the hospital or SNF within last 30 days
- patients receiving PT and SLP concurrently
- patients with mental or cognitive disorders impacting rehab progress with the primary condition being treated

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- patients with generalized musculoskeletal conditions impacting multiple areas and directly impacting rehab progress with the primary condition being treated
- patients who have met their cap earlier in the year, and now have a different condition that requires more therapy services
- patients who require the services to enable a return to prior living environment
- patients who require the services to return to their prior level of independence

The treating clinicians in conjunction with the interdisciplinary team will determine when patients meet the automatic exception criteria.

Manual Process

In the event a patient does not meet any of the criteria for an automatic exception, CMS has provided a secondary process that focuses on documentation of medical necessity. This process will require approval from the intermediary/carrier after a review of the medical record documentation. When the provider believes a patient will exceed the cap due to documented medical necessity, an exception to the cap may be requested in writing. This will require a letter of justification for continued services from the treating clinician(s).

Currently, CMS requires the intermediaries/carriers to accept fax requests from providers for a manual exception. They will then determine whether or not to permit phone and/or mail requests. This manual process


will allow the contractors to grant services above the therapy cap in 15-visit increments. To qualify for a manual exception to the therapy cap, providers must submit documentation supporting the medical necessity of continuing therapy. The contractor must respond and notify the provider of determination within 10 days or the exception is approved.

Implementation

The implementation date for the process is March 13, 2006. AHCA and NASL are following up with CMS on multiple questions, including how 2006 claims prior to implementation (and retroactive to January 1, 2006) will be processed between now and on or around April 1, 2006, when full implementation is required.

At this point it appears that the work we have done in Peoplefirst, with the focus on medical necessity, will meet the potential criteria that CMS implements for this process, supporting our patient outcomes as well as the appropriate reimbursement for these services.

Peoplefirst provides medically necessary services to our patients. Therefore, we are confident that we will be able to support the delivery of rehabilitation services within the exception process. It has been our focus since the beginning of the year.

We will do our best to provide you with the most current information on the exception process as the details are finalized and released. 

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