Payment Reform Questions and Answers

WHAT AND WHY?

What is APS?
APS, or Alternative Payment System, was the original name of APTA’s efforts to reform the physical therapy payment system. APS encompasses reform efforts on the payment, regulatory and legislative fronts. Much of the focus on APS has been around efforts to reform the coding system used by physical therapists, moving away from fee-for-service, to a more bundled, per-session coding system. However, the coding system is just the first step in APTA’s global payment reform strategy. APTA is also working on developing quality metrics and standardized data sets for the physical therapy profession, updating clinical practice guidelines, and working with Congress and CMS to position physical therapy to be a part of the value-based payment systems. Alternative Payment System is also legislative language, originally from the Balanced Budget Act of 1997 that implemented the therapy cap, and called for a new payment system for rehabilitation.

What is PTCPS?
PTCPS stands for Physical Therapy Classification and Payment System. In 2012, an Alternative Payment System Task Force appointed by the APTA Board of Directors changed the name for APTA’s payment reform plan from APS to PTCPS.

Why is APTA developing a new coding system?
Increasing regulatory and legislative burdens on physical therapy providers spurred APTA to more aggressively pursue alternative payment and coding methods to help reduce and prevent policies such as the multiple procedure payment reduction (MPPR). In addition, the government and leading policy groups had been discussing necessary reforms to therapy payments under federal programs. When CMS released its proposed rule for the 2011 physical fee schedule, it outlined 3 short-term approaches to address the therapy cap, one of which was the introduction of a per-session coding system. In June 2013, the Medicare Payment Advisory Commission (MedPAC) report included payment reform recommendations for physical therapy under Medicare. These recommendations included payment reductions, access limitations, and utilization controls.

At the same time, APTA recognized that the health care system was in the process of transitioning from a system based on the volume of services to a value-based system. Revising the physical medicine and rehabilitation codes from a procedural-based system to a per-session coding system, is a step toward positioning physical therapy as an integral component of the new value-based health care system.

Please note: The information provided is offered for general informational purposes only. It is not offered or intended, nor should it be relied upon, as legal advice. Legal doctrines, statutes, and case law vary from state to state. You should consult with your own attorney for specific legal advice on particular legal issues.
To which providers and settings will these new codes apply?
The new CPT codes will apply to physical therapists and others providing therapy services described by these codes that are billed to third-party payers using CPT codes.

How is the new coding system different from the current coding system?
The new coding system will eliminate the procedure and modality-based coding system and replace it with a per-session coding system. This means that in most cases physical therapists will bill 1 code per treatment session. There will be exceptions, however. For example, a physical therapist will be able to bill an evaluation or reevaluation code with an intervention code if that is allowed by the payer. Some existing codes will remain separately reportable, meaning they can be billed with an intervention code under this per-session system. It will be important to check with payers in the future regarding their policies for billing physical therapy services.

What are the benefits of moving from a procedural-based coding structure to a per-visit coding structure that is based on patient severity and intensity of services?
The new per-session codes will better describe the work and elements of clinical practice involved in providing physical therapy services because they will reflect the severity of the patient’s condition and the intensity of the services provided. Per-session codes could alleviate challenges associated with edits, such as correct coding initiative (CCI) edits and multiple-procedure payment reductions (MPPR) as well.

Will the revised evaluation codes incentivize physical therapists to delay treating patients until their conditions worsen?
No. First, delaying treatment with the hope of receiving higher payment because the patient’s condition may worsen is unethical. As health care professionals, physical therapists have a duty to act in the best interest of their patients and clients over their own interests. Delaying care for financial gain is a clear violation of the Code of Ethics for the Physical Therapist.

Second, a goal of the coding reform proposal and payment reform in general is to ensure that patients, regardless of the severity of their conditions, have equal access to physical therapist services. APTA recognizes that physical therapists practice in a variety of settings and see a variety of patients; therefore, it is essential that all efforts to reform coding and payment reflect the diversity of physical therapist practice. Codes that reflect a severity/intensity model better position the profession for value-based payment models, which reward providers for their outcomes rather than for the number of procedures performed.

COLLABORATION

Has the CMS proposed a new payment system for outpatient physical therapy services under Medicare?
Not at this time. In 2014, however, CMS was charged with identifying misvalued codes and reducing reimbursement to meet certain budgetary goals. In the 2016 Physician Fee Schedule Final Rule, CMS identified several physical medicine and rehabilitation codes as being misvalued, including codes 97032, 97035, 97110, 97112, 97113, 97116, 97140, 97530, 97535 and G0283. CMS has also issued several reports, such as the Development of Outpatient Therapy Payment Alternatives (DOPTA) and the Short Please note: The information provided is offered for general informational purposes only. It is not offered or intended, nor should it be relied upon, as legal advice. Legal doctrines, statutes, and case law vary from state to state. You should consult with your own attorney for specific legal advice on particular legal issues.
Term Alternatives for Therapy Services (STATS), which discuss potential options to consider for alternative payment for therapy services in the future.

Is APTA engaging in discussions with CMS regarding the new coding system?
Yes. CMS has a seat on the American Medical Association’s (AMA) Current Procedural Terminology (CPT) Editorial Panel, as well as the Relative Value Update Scale Committee Health Care Professionals Advisory Committee Review Board (RUC HCPAC), and is aware of proposed changes to the physical medicine and rehabilitation codes. APTA has met with CMS on several occasions to update the agency on the progress of the new coding system and incorporate CMS feedback.

What is the Current Procedural Terminology Editorial Panel and what does it do?
The Current Procedural Terminology (CPT) Editorial Panel is responsible for ensuring that CPT code language remains current and reflects the latest medical care provided to patients. The panel meets 3 times per year to review new codes and update existing codes. The CPT Editorial Panel solicits input from providers, medical device manufacturers, developers of diagnostic tests, and advisors from more than 100 societies representing physicians and other qualified health care professionals. For more on the panel and the CPT process, visit the AMA’s webpage.

What is the Relative Value Scale Update Committee and what does it do?
The Relative Value Scale Update Committee (RUC) is part of the AMA and is the body that makes recommendations to CMS regarding the value for new and updated codes. The RUC only makes recommendations relating to the work value and a portion of the practice expense for CPT codes. CMS has a formula for determining the full practice expense and the malpractice values of the codes. For more information about the RUC, visit the AMA’s webpage.

What is the Health Care Professionals Advisory Committee Review Board and what does it do?
The RUC Health Care Professionals Advisory Committee (HCPAC) was created by the AMA to allow non-physician health care professionals to participate in the development of relative values for new and revised CPT codes. Organizations representing physician assistants, nurses, occupational and physical therapists, optometrists, podiatrists, psychologists, social workers, audiologists, speech-language pathologists, chiropractors, and registered dieticians are included on the review board.

Has APTA engaged commercial payers in discussion regarding the new coding system?
Yes. APTA has engaged commercial payers—both individually and at the association’s annual Payers Forum, and continues to do so on a regular basis.

What other associations are collaborating with APTA on changes to the system?
APTA is working with the AMA and 12 provider groups that bill physical medicine and rehabilitation codes on the new coding system. These entities are the American Occupational Therapy Association (AOTA), the American Massage Therapy Association (AMTA), the National Athletic Trainers Association (NATA), the American Speech-Language-Hearing Association (ASHA), the American Chiropractic Association (ACA), the American Psychological Association (APA), the American Optometric Association (AOA), the American Podiatric Medical Association (APMA), the American Academy of Physical Medicine and Rehabilitation

Please note: The information provided is offered for general informational purposes only. It is not offered or intended, nor should it be relied upon, as legal advice. Legal doctrines, statutes, and case law vary from state to state. You should consult with your own attorney for specific legal advice on particular legal issues.
(AAPM&R), the American Neurological Association (ANA), the American Academy of Orthopaedic Surgeons (AAOS), and the American Osteopathic Association (AOA).

**PROCESS OF DEVELOPMENT**

Has APTA tested the new coding system?
Yes. In 2014, APTA and AOTA contracted with the Post-Acute Care Center for Research (PACCR) to test the reliability of the proposed new physical medicine and rehabilitation evaluation and intervention codes. The pilot test also was designed to determine the codes’ usability and identify any clarity issues with the coding language. APTA continues to work with PACCR on improving the codes and other initiatives to advance payment reform.

Are results of the pilot test on the proposed intervention and evaluation codes available?
Yes. The results of the pilot test and an executive summary are available on APTA’s [PTPCS webpage](#). APTA has also shared the results of the pilot test with the AMA work group.

What is the Work Relative Value Scale (RVS) Update Survey?
The Work Relative Value Scale Update Survey is part of the AMA RUC process. It is designed to determine the appropriate work value of proposed codes in terms of time, mental effort and judgment, technical skill, physical effort, and psychological stress. This is a standardized survey used by the AMA for all CPT codes that come before the RUC. APTA distributed the Work RVS Update Survey in the summer of 2015 for the proposed physical therapy evaluation and reevaluation codes only. The proposed intervention codes have not been surveyed.

How were participants selected for the Work RVS Update Survey?
The survey was distributed to a random sampling of APTA members who provided outpatient physical therapy services, including physical therapists in private practice, skilled nursing, and outpatient hospital settings who billed existing CPT codes.

Will the Work RVS Update Survey results be released?
No. The survey results are property of the AMA and cannot be released.

Why hasn’t APTA released the proposed CPT codes and coding language for the new system?
The proposed codes are proprietary to the AMA and subject to strict confidentiality rules. APTA is prohibited from disclosing, distributing, publishing, or sharing in any manner information related to the work performed by the CPT Editorial Panel and the RUC Committee.

CMS will release the language for the evaluation and reevaluation codes and their proposed values this summer in the CY 2017 Physician Fee Schedule Proposed Rule. This timing is common for new or revised CPT codes. At that time, APTA will launch an extensive educational campaign to prepare providers for the implementation of these new codes.

Please note: The information provided is offered for general informational purposes only. It is not offered or intended, nor should it be relied upon, as legal advice. Legal doctrines, statutes, and case law vary from state to state. You should consult with your own attorney for specific legal advice on particular legal issues.
When will the new physical medicine and rehabilitation codes be implemented?
The proposed physical therapy evaluation and reevaluation codes will be implemented January 1, 2017. At this time there is no set implementation date for the proposed intervention codes.

What will happen to the current CPT codes I use to report physical therapy services once the new codes are implemented?
The current codes will be deleted and replaced by the newly published codes.

IMPACT

What changes will I need to make in my practice to implement the new CPT codes—for example, staff training and EMR updates?
Physical therapists will need to be trained on the new coding system. For example, the new system has 3 levels of evaluation. Physical therapists must be able to distinguish patient severity and intensity of provided services in order to select the appropriate code level. Electronic medical records (EMR) will also need to be updated to incorporate these new codes. Current CPT codes will need to be removed from EMR systems as well.

APTA will conduct an extensive educational campaign when the new physical therapy evaluation and reevaluation codes are published by CMS to ensure that all physical therapists are prepared for implementation in 2017. Members should continue to check the PTCPS webpage for more information.

Will documentation requirements change with these new CPT codes?
Yes, most likely. Physical therapists will need to make sure their documentation supports the services they are performing and billing, as described by the code. Therapists also must document their clinical reasoning and be able to support the code they selected, based on the severity of the patient’s condition and the intensity of services performed.

Will there be changes to regulations related to these new CPT codes?
It is difficult to predict at this time how regulations or other payer policies might change when these new CPT codes are implemented. We do anticipate that local coverage determinations and other payer policies will be revised to incorporate these new CPT codes.

Will payment for physical therapy services increase/decrease?
We do not know. APTA’s goal is to obtain the best value possible for the new codes, but we will not know the impact on payment until the codes have passed the AMA CPT and RUC process and have been valued by CMS.

APPLICATION OF THE CODING SYSTEM AND POTENTIAL FOR ABUSE

How will value/outcomes be measured for my patients under this new system?

Please note: The information provided is offered for general informational purposes only. It is not offered or intended, nor should it be relied upon, as legal advice. Legal doctrines, statutes, and case law vary from state to state. You should consult with your own attorney for specific legal advice on particular legal issues.
The new coding system does not measure outcomes on its own. It will need to be paired with outcomes measures. This is similar to the current code set in which quality or outcomes measures are applied to the payment system. Codes are one part of the system for reporting services for the purpose of payment. The coding language does, however, incorporate use of standardized tests and measures to help the physical therapy profession begin to report standardized data elements. This will enable outcomes, and ultimately the value of physical therapy, to be measured in a more uniform manner.

**How can payers and providers be assured that the new system will not be vulnerable to abuse or “gaming”?**

Unfortunately, there is no way to guarantee the new coding system—as has been the case with the existing system—will be immune to abuse or gaming. However, the new coding system does incorporate certain benchmarks that must be met in order to choose each coding level.