

September 30, 2012

Submitted electronically to Arielle Mir at amir@medpac.gov

Medicare Payment Advisory Commission (MedPAC)
601 New Jersey Avenue, Suite 9000
Washington, DC 20001
www.medpac.gov

**Re: Improving Medicare's Payment System for Outpatient Therapy Services
(MedPAC September 2012 Meeting)**

Dear MedPAC:

On September 7, 2012, MedPAC staff presented to the Commissioners three broad policy options relating to outpatient therapy delivery, utilization, and payment in advance of the mandated report on this issue due to Congress June 15, 2013. That report will shape the future of outpatient therapy and will impact Congress' decision on whether to extend the exceptions process to the therapy cap and whether to extend the application of the therapy cap to hospital outpatient services in 2013.

Occupational therapy practitioners and their patients will be greatly impacted by MedPAC recommendations regarding Medicare's payment system for outpatient therapy services, and the American Occupational Therapy Association (AOTA) appreciates the opportunity to submit comments on this issue. AOTA is the national professional association representing the interests of more than 140,000 occupational therapists, students of occupational therapy, and therapy assistants. The practice of occupational therapy is science-driven, evidence-based, and enables people of all ages to live life to its fullest by promoting health and minimizing the functional effects of illness, injury, and disability.

Policy Option 1

MedPAC's options for improving management of the therapy benefit included the permanent inclusion of hospital outpatient services under the therapy cap, implementing focused reviews, eliminating the use of V-codes, and/or adjusting the breakdown of program and beneficiary cost-sharing.

AOTA is adamant that there must be a pathway to care for Medicare beneficiaries who require therapy. This is a great concern if MedPAC recommends that the hospital outpatient therapy cap be permanently extended without permanently extending the exceptions process along with it. The elimination of these two safety net options would cut off access to medical necessary outpatient therapy services for the exceptional beneficiaries whose care exceeds the \$1,880 cap if Congress failed to act during any given year. Additionally, the permanent application of the cap to hospital outpatient settings would make any Congressional action in the

future regarding the therapy cap more difficult because the services provided in hospital settings would have to be offset, expanding the legislative score of maintaining a pathway to care for beneficiaries who need services beyond the cap. The permanent application of the cap to hospital outpatient settings without permanently extending the exceptions process exacerbates the problem of the cap and threatens Medicare beneficiary access to medically necessary rehabilitation services going forward.

As a separate matter, AOTA does agree that focused reviews in high-use areas and on high-use providers makes sense and has proven effective, as evidenced by Miami-Dade anecdote presented at the meeting.

Policy Option 2

MedPAC also presented as an option the collection of information on functional status using a single, standard instrument across disciplines.

While we recognize the benefits of a uniform system, it must reflect a patient's true functional status across a variety of plains – participation, activities of daily living (ADLs), orthopaedic, self-care, and so on. A uniform system must also not be unduly burdensome and must paint a true picture of practice and be able to capably demonstrate how each discipline (be it occupational therapy, physical therapy/speech-language pathology) has contributed to the beneficiary's status or outcome.

Additionally, the data collected is useful only if it is valid. Data collection efforts must be carefully evaluated before any decisions about coverage and payment are made. If MedPAC is considering the CARE tool from the Development Outpatient Therapy Payment Alternatives (DOTPA) project, the data already collected for the demonstration must first be analyzed before the tool is implemented in a meaningful way.

Policy Option 3

Finally, MedPAC staff cited two options for reforming the payment system for outpatient therapy services: making payment episodic and/or adopting strategies currently in use in the private sector, such as visit limits or prior-authorization requirements.

AOTA recognizes the need to reform payment for outpatient therapy services. We are engaged in the process and open to collaboration on this front. AOTA's chief priorities with regard to any reimbursement reforms include the following:

- Discipline-specific payment,
- payments based on patient complexity and severity,
- a uniform payment system across outpatient settings,
- required or incentive data reporting to inform service delivery and valuation,
- the inclusion of quality data (both process and outcome measures),
- a phased-in approach to implementing a new system,
- cooperation between CMS/MedPAC/Congress and professional societies, and

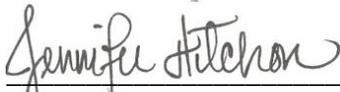
- a payment system that adequately reflects the resources needed to provide the services and ensure appropriate access to care.

Interwoven with the above principles is AOTA's firm belief that any coding or payment system must uphold deference for the occupational therapy practitioner's clinical reasoning and judgment (including as to the amount and type of therapy a patient receives, as opposed to arbitrary limits on care) within the bounds of Medicare coverage rules. Treatment plans for Medicare beneficiaries must be guided first and foremost by clinical evaluation and judgment.

* * * * *

AOTA looks forward to a continuing dialogue with MedPAC regarding the Medicare outpatient therapy benefit. Please contact us with questions at (301) 652-6611 ext. 2023 or jhitchon@aota.org.

Respectfully submitted,



Jennifer Hitchon
Regulatory Counsel

cc: *Adaeze Akamigbo, PhD, Senior Policy Analyst, aakamigbo@medpac.gov*