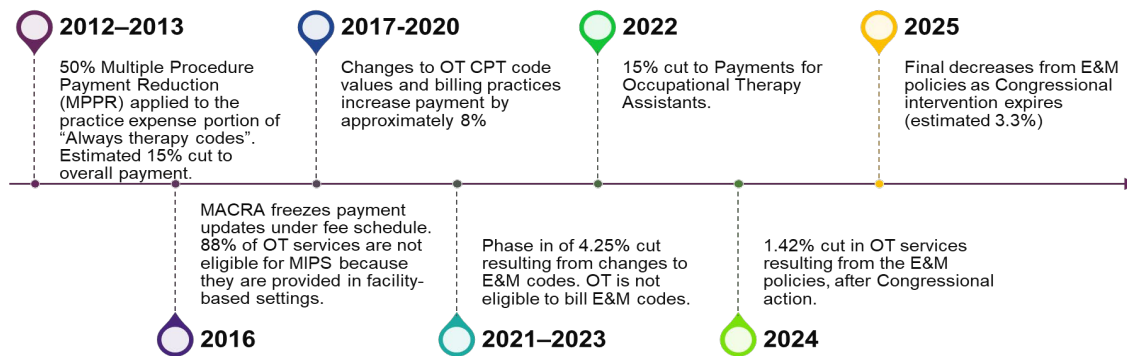


## Occupational Therapy Facing More Than a Decade of Payment Cuts

Occupational therapy (OT) faces substantial challenges including a shrinking workforce and steep Medicare payment reductions. While more Medicare beneficiaries are receiving occupational therapy services, payment rates for these services have continuously decreased over the last decade with cuts accelerating as of 2021.

### OT has Faced Multiple Payment Cuts Under Medicare Since 2013

- In 2013, payments for therapy services were cut when Congress implemented a permanent 50% reduction to the practice expense portion of “always therapy codes” known as a multiple-procedure payment reduction (MPPR)<sup>1</sup>. Shortly after this cut went into effect, payments for therapy services were frozen due to MACRA policies.
- After this period of frozen payments, payments for occupational services have been cut every year since 2021. Therapy providers faced some of the highest reductions in payments because of decreases to the Fee schedule conversion factor of any healthcare specialty. The reduction in the conversion factor was required by budget neutrality rules to offset increases in payments for evaluation and management (E&M) billing codes. Unlike other medical specialties, therapy providers *cannot* bill E&M codes, so are not able to benefit from the codes’ increased values.
- Finally, a 15% reduction in payments for services provided by occupational therapy assistants (OTA) and physical therapists assistants (PTA) was implemented in 2022. Outpatient Medicare services provided by OTAs comprise 37% of all outpatient therapy services, and account for 48% of the services in rural and underserved communities. The OTA work force is critical to ensuring access to therapy services in these communities, but since these policies were implemented, enrollment in OTA programs has plummeted.



With no action by Congress, the average payment for occupational therapy services in 2025 **will be 16% less than in 2012, not accounting for inflation.** If an occupational therapy assistant provides the service, **the payment will be 31% less than in 2012.**

Congress must act before the end of 2024 to stop a 5<sup>th</sup> year of cuts to occupational therapy practitioners and other healthcare providers. Congress should provide an inflationary update to Medicare payments for clinicians for 2025 and beyond. One way to show support for this policy is to co-sponsor the **Strengthening Medicare for Patients and Providers Act (H.R. 2474)** in the House or support similar legislation in the Senate. Additionally, as Congress considers broader Medicare reform, it should enact **therapy specific policies.** A **repeal of the arbitrary MPPR** would increase payment for therapy services, offset more than a decade of payment cuts, and ensure continued beneficiary access to crucial occupational therapy services.

<sup>1</sup> The 50% MPPR results in an average cut of 15% for therapy services.