

PHYSICAL MEDICINE & REHABILITATION: MULTIPLE THERAPY PROCEDURE REDUCTION POLICY

Policy Number: ADMINISTRATIVE 254.6 T0

Effective Date: January 1, 2019

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Related Policies

None

INSTRUCTIONS FOR USE

The services described in Oxford policies are subject to the terms, conditions and limitations of the member's contract or certificate. Unless otherwise stated, Oxford policies do not apply to Medicare Advantage members. Oxford reserves the right, in its sole discretion, to modify policies as necessary without prior written notice unless otherwise required by Oxford's administrative procedures or applicable state law. The term Oxford includes Oxford Health Plans, LLC and all of its subsidiaries as appropriate for these policies.

Certain policies may not be applicable to Self-Funded members and certain insured products. Refer to the member specific benefit plan document or Certificate of Coverage to determine whether coverage is provided or if there are any exclusions or benefit limitations applicable to any of these policies. If there is a difference between any policy and the member specific benefit plan document or Certificate of Coverage, the member specific benefit plan document or Certificate of Coverage will govern.

UnitedHealthcare may also use tools developed by third parties, such as the MCG™ Care Guidelines, to assist us in administering health benefits. The MCG™ Care Guidelines are intended to be used in connection with the independent professional medical judgment of a qualified health care provider and do not constitute the practice of medicine or medical advice.

APPLICABLE LINES OF BUSINESS/PRODUCTS

This policy applies to Oxford Commercial plan membership.

APPLICATION

This reimbursement policy applies to services reported using the 1500 Health Insurance Claim Form (a/k/a CMS-1500) or its electronic equivalent or its successor form. This policy applies to all products, all network and non-network physicians and other qualified health care professionals, including, but not limited to, non-network authorized and percent of charge contract physicians and other qualified health care professionals.

This policy does **not** apply to flat rate per diem contract providers.

OVERVIEW

There are some physical medicine and rehabilitation therapy procedures that are frequently reported together on the same date of service. Some of the elements that comprise these services, referred to as Practice Expense (PE) by the Centers for Medicare and Medicaid Services (CMS), are duplicative. These duplicated PE elements include cleaning the room and equipment; education, instruction, counseling and coordinating home care; greeting the patient and

providing the gown; obtaining measurements (e.g., range of motion); post-therapy patient assistance; the multispecialty visit pack.

This policy describes how Oxford aligns with CMS and reduces reimbursement for the PE portions of certain therapy procedures that share these components when those services are the secondary or subsequent procedures provided on a single date of service by the Same Group Physician and/or Other Health Care Professional.

Oxford aligns with CMS in determining which procedures are subject to the multiple therapy reduction and the primary or secondary ranking of these procedures based on Practice Expense Relative Value Units (PE RVU).

For the purposes of this policy, Same Group Physician and/or Other Health Care Professional refers to all physicians and health care professionals who report under the same Federal Tax Identification number (TIN).

REIMBURSEMENT GUIDELINES

Reimbursement

Consistent with CMS, Oxford ranks all reimbursable procedures from the Multiple Therapy Reducible Codes list (procedures with indicator 5 in the Multiple Procedure Payment Reduction [MPPR] field on the CMS National Physician Fee Schedule) that are provided on a single date of service. The primary procedure is reimbursed without reduction and the PE portions of all secondary and subsequent procedures from this list performed by the Same Group Physician and/or Other Health Care Professional on the same date are reduced by 50%.

The multiple therapy procedure reduction applies when more than one procedure, or more than one unit of the same procedure, from the Multiple Therapy Reducible Codes list is provided to the same patient on the same day, i.e., the reduction applies to multiple units as well as to multiple procedures.

These reductions apply to the Same Group Physician and/or Other Health Care Professional, regardless of specialty. These reductions do not apply to flat rate per diem contract providers.

Procedure Ranking

The CMS Non-Facility PE RVU assigned to each code on the Multiple Therapy Reducible Codes list is used to determine the primary procedure. The primary procedure is identified as the procedure having the highest PE RVU on a given date of service. The PE portion of the charge for the primary procedure will not be reduced.

For the remaining Multiple Therapy Reducible Codes reported on the same date of service by the Same Group Physician and/or Other Health Care Professional, an amount representing the PE for each code will be reduced by 50%. The PE amount is determined by calculating the ratio of CMS PE RVU to Total RVU assigned to each secondary and subsequent procedure on the same date of service. When procedures share the same PE RVU, the Total RVU is used to further rank those codes.

Example

The following table shows an example of how reimbursement is determined for services subject to this policy when services are furnished to a patient on a single date of service by the Same Group Physicians and/or Other Health Care Professionals.

Code	Allowable Amount Prior to Reduction	PE RVU	Total RVU	Portion of charge attributable to Practice Expense (PE RVU / Total RVU)	Ranking	Comments	Final Allowable Amount
Multiple Therapy Reducible Code A	\$31.60	.45	.79	56%	3		PE value = 56% of \$31.60 or \$17.70. \$17.70 is reduced by 50% or \$8.85. Allowable Amount = \$31.60 - \$8.85 or \$22.75.

Code	Allowable Amount Prior to Reduction	PE RVU	Total RVU	Portion of charge attributable to Practice Expense (PE RVU / Total RVU)	Ranking	Comments	Final Allowable Amount
Multiple Therapy Reducible Code B	\$40.40	.36	1.01	35%	4		PE value = 35% of \$40.40 or \$14.14. \$14.14 is reduced by 50% or \$7.07. Allowable Amount = \$40.40 - \$7.07 or \$33.33.
Multiple Therapy Reducible Code C	\$36.40	.45	.91	49%	2	Because Codes A and C have the same PE RVUs, the Total RVUs are used to further rank these two procedures.	PE value = 49% of \$36.40 or \$17.84. \$17.84 is reduced by 50% or \$8.92. Allowable Amount = \$36.40 - \$8.92 or \$27.48.
Multiple Therapy Reducible Code D	\$96.80	1.05	2.42	43%	1	Primary procedure (highest PE value) is not subject to reduction	\$96.80

DEFINITIONS

Allowable Amount: The dollar amount eligible for reimbursement to the physician or health care professional on the claim. Contracted rate, reasonable charge, or billed charges are examples of Allowable Amounts. For percent of charge or discount contracts, the Allowable Amount is determined as the billed amount, less the discount.

Practice Expense Relative Value Units, PE RVU: The portion of the Total Relative Value Units assigned to a particular CPT or HCPCS code for maintaining a practice, including rent, equipment, supplies and nonphysician staff costs.

Same Group Physician and/or Other Health Care Professional: All physicians and/or other health care professionals of the same group reporting the same Federal Tax Identification number.

Total Relative Value Units, Total RVU: The assigned unit value of a particular CPT or HCPCS code that consists of the sum of the Work Relative Value Units, the Practice Expense Relative Value Units and the Malpractice Relative Value Units.

QUESTIONS AND ANSWERS

1	Q:	How is the PE portion of a service determined?
	A:	The PE portion of a service is determined by calculating the ratio of PE RVU to Total RVU. This ratio is applied to the Allowable Amount of each charge to determine the PE portion in dollars.
2	Q:	If a provider group includes several specialty providers (physical, occupational, speech-language therapists), how will their services provided to a single patient on a single date of service be reduced?
	A:	All Multiple Therapy Reducible Codes reported for a single patient on a single date of service by all providers sharing the same TIN are considered reported by the Same Group Physician and/or Other Health Care Professional and will be viewed together for ranking and reduction purposes. The single code with the highest PE RVU will be ranked primary and will not be reduced. All remaining codes subject to this policy from all other providers in the same group, regardless of specialty, will be ranked as secondary, tertiary and so on and the PE portion of those services will be reduced by the appropriate percentage, depending on the date the service was performed. See the Reimbursement section for information about reduction percentages.

3	Q:	If a single provider group with the same TIN reports several Multiple Therapy Reducible Codes on a single date of service on separate claims at different times, how will these codes be reimbursed?
	A:	The claims editing system reviews all codes for a single date of service as if they were reported on a single claim, regardless of when they are reported. When codes for services provided to a single patient on a single date of service that are subject to multiple therapy reduction are submitted on different claims at different times, adjustments will be made to ensure that the code with the highest PE RVU is considered primary (that is, not subject to reduction) and that the remaining codes are correctly ranked and reduced.
4	Q:	If several Multiple Therapy Reducible Codes that share the same PE RVU are reported on the same date of service, how are they ranked?
	A:	When Multiple Therapy Reducible Codes for the same date of service share the same PE value, the system then utilizes Total RVUs for those codes in order to rank them.
5	Q:	Will all services provided on the same date as Multiple Therapy Reducible Codes be reduced?
	A:	No. The only services that are subject to this policy are those on the Multiple Therapy Reducible Codes list. However, all codes reported on the same date of service, both reducible and non-reducibles, will be subject to all other reimbursement policies that apply.

ATTACHMENTS

Multiple Therapy Reducible Codes

A list of codes that are subject to the *Multiple Therapy Reduction* policy, including the assigned practice expense RVU, Total RVU and ratio of practice expense to Total RVU for each code. Only the practice expense portion of a code on this list is subject to reduction when it has been ranked as non-primary on a given date of service.



Multiple Therapy
Reducible Codes

REFERENCES

The foregoing Oxford policy has been adapted from an existing UnitedHealthcare national policy that was researched, developed and approved by UnitedHealthcare Reimbursement Policy Oversight Committee. [2018R0121A]

American Medical Association, Current Procedural Terminology (CPT®) and associated publications and services.

Centers for Medicare and Medicaid Services, CMS Manual System and other publications and services.

Centers for Medicare and Medicaid Services, Physician Fee Schedule (PFS) Relative Value Files.

POLICY HISTORY/REVISION INFORMATION

Date	Action/Description
01/01/2019	<ul style="list-style-type: none"> • Updated <i>Multiple Therapy Reducible Codes List</i> (CPT/HCPCS codes subject to the <i>Multiple Therapy Reduction</i> policy, including the assigned practice expense RVU, Total RVU, and ratio of practice expense to Total RVU for each code) to reflect annual code edits: <ul style="list-style-type: none"> ○ Removed 97762 ○ Revised RVU value for 92507, 92508, 92521, 92523, 92524, 92526, 92597, 92607, 92609, 96125, 97016, 97018, 97022, 97032, 97035, 97036, 97113, 97124, 97161, 97162, 97163, 97164, 97165, 97166, 97167, 97168, 97530, 97533, 97535, 97537, 97542, 97750, 97755, 97760, 97761, 97763, G0281, and G0283 • Archived previous policy version ADMINISTRATIVE 254.5 T0