

NETWORK REIMBURSEMENT POLICY

POLICY TITLE	Reimbursement of Physical Medicine and Occupational Therapy Sessions or Visits
POLICY NUMBER	NR-09.007

Health care benefit programs issued or administered by Capital BlueCross and/or its subsidiaries, Capital Advantage Insurance Company®, Capital Advantage Assurance Company® and Keystone Health Plan® Central. Independent licensees of the Blue Cross Blue Shield Association. Communications issued by Capital BlueCross in its capacity as administrator of programs and provider relations for all companies.

Original Issue Date (Created):	07/20/2004
Most Recent Review Date (Revised):	08/1/2016, 08/1/2020
Effective Date:	08/1/2020

[DESCRIPTION/BACKGROUND
EXCLUSIONS](#)

[DEFINITIONS
VARIATIONS](#)

[POLICY
REFERENCES](#)

I. DESCRIPTION/BACKGROUND

[TOP](#)

This policy addresses the reimbursement methodology applied to the payment of professional Occupational and Physical Medicine services performed by an eligible professional provider.

II. DEFINITIONS

[TOP](#)

Centers for Medicare and Medicaid Services (CMS) – Centers for Medicare and Medicaid Services; The current name of the government agency, which administers Medicare, formerly the Health Care Financing Administration (HCFA).

Constant Attendance – The application of a modality that requires direct (one-on-one) patient contact by the provider.

Current Procedural Terminology (CPT) – A set of codes, descriptions, and guidelines intended to describe procedures and services performed by physicians and other health care professionals. Each procedure or service is identified with a five-digit code. The use of CPT codes simplifies the reporting of procedures and services.

Modifier – A two-digit numeric, alphanumeric or alphabetic code appended to a CPT or HCPCS code, which indicates that a service or procedure has been altered by some specific circumstances but not changed in its definition or code. This information is important because it provides payors with additional information to process a claim. There are three levels of modifiers: Level I (CPT) modifiers are developed by the American Medical Association; Level II (HCPCS) modifiers are developed by the Centers for Medicare and Medicaid Services; Level III modifiers are unique to each Medicare Part B carrier and begin with an alpha prefix of S, W, X, Y or Z.

NETWORK REIMBURSEMENT POLICY

POLICY TITLE	Reimbursement of Physical Medicine and Occupational Therapy Sessions or Visits
POLICY NUMBER	NR-09.007

Occupational Therapy – The treatment of neuromusculoskeletal and psychological dysfunction through the use of specific tasks or goal-directed activities designed to improve the functional performance of an individual.

Physical Medicine – The treatment of disease or injury by the use of therapeutic exercise and other interventions. These interventions focus on improving posture, locomotion, strength, endurance, balance, coordination, flexibility, the ability to perform through the basic activities of daily living, and alleviating pain.

Physical Medicine Modalities (Supervised or Constant Attendance) – Any physical agent applied to produce therapeutic changes to biologic tissue; includes but not limited to thermal, acoustic, light, mechanical, or electric energy.

Physical Medicine Orthotic Management and Prosthetic Management – The health care provider fits and/or trains the patient in the use of an orthotic or prosthetic device for one or more body parts. This includes assessment as to type of orthotic when appropriate. This does not include fabrication time, if appropriate, or cost of materials.

Physical Medicine Tests and Measurements – The health care provider performs a test of physical performance evaluating function of one or more body areas and evaluates functional capacity. A written report is included. Requires direct one-on-one patient contact.

Physical Medicine Therapeutic Procedures – A manner of effecting change through the application of clinical skills and/or services that attempt to improve function. Physician or therapist required to have direct (one-on-one) patient contact.

Professional Provider - A person or entity licensed and approved by the appropriate governmental agency, where required, to render covered services and perform services within the scope of such licensure. Professional Providers include but are not limited to: audiologists, certified registered nurses, chiropractors, clinical laboratories, dentists, doctors of medicine, doctors of osteopathy, licensed certified nurse midwives, licensed practical nurses, occupational therapists, optometrists, physical therapists, podiatrists, psychologists, registered nurses, respiratory therapists, speech language pathologists, and teachers of the hearing impaired.

Supervised – The application of a modality that does not require direct (one-on-one) patient contact by the provider.

NETWORK REIMBURSEMENT POLICY

POLICY TITLE	Reimbursement of Physical Medicine and Occupational Therapy Sessions or Visits
POLICY NUMBER	NR-09.007

III. POLICY

Only professional providers, who are duly licensed by the state in which they practice and are practicing within their defined scope, are eligible for reimbursement consideration of covered Physical Medicine and Occupational Therapy services.

Services provided to the same patient on the same date of service must be reported on the same claim. When more than six (6) services are provided to the same patient on the same date of service, indicate “1 of ___” in the bottom right corner of each CMS-1500 claim form submitted. In Block 28 ‘TOTAL CHARGE’ of the last claim CMS-1500 claim form, enter a grand total that includes all charges submitted on each separate claim form.

Occupational Therapy and Physical Medicine session/visit

In general, a physical medicine or occupational therapy session/visit may include an initial evaluation or a re-evaluation and/or a combination of Physical Medicine Therapeutic Procedures, Modalities (supervised or constant attendance), Tests and Measurements, Orthotic Management and Prosthetic Management.

An initial evaluation will be reimbursed at one hundred percent (100%) of the Plan allowance. A re-evaluation and/or a combination of physical medicine therapeutic treatments and modalities will be reimbursed up to the maximum amount allowed for an occupational therapy and /or physical medicine session/visit.

To be eligible for separate reimbursement consideration, Occupational Therapy or Physical Medicine session/visit(s) for the same or similar conditions must:

- Include different modalities and treatments, **and**
- Be performed by eligible providers of different specialties, **and**
- Be provided under separate plans of care.

Evaluation and Management services reported for the same date of service by the same professional provider performing an initial evaluation or re-evaluation are only eligible for separate reimbursement consideration when the evaluation and management service was performed for a significant and separately identifiable reason, which must

NETWORK REIMBURSEMENT POLICY

POLICY TITLE	Reimbursement of Physical Medicine and Occupational Therapy Sessions or Visits
POLICY NUMBER	NR-09.007

be accurately and sufficiently documented in the medical record. When this is the case, **Modifier 25** must be appended to the evaluation and management procedure code.

Modifier 25: Significant, separately identifiable evaluation and management service by the same physician on the same day as the procedure or other service.

The application of hot or cold packs (CPT 97010) is considered a bundled service. Reimbursement for this service will not be made regardless of whether the service was performed independently or in conjunction with another procedure or service.

Please refer to the following Professional Network Reimbursement Policies for additional information:

NR-30.001 General Coding Guidelines

NR-30.019 Correct Coding and Reimbursement Methodology

In addition to the criteria and conditions contained in this policy, the service, procedure or item must be deemed medically necessary, must be covered member benefit and is subject to member cost sharing provisions.

IV. EXCLUSIONS

N/A

[TOP](#)

V. VARIATIONS

[TOP](#)

This policy is applicable to all programs and products administrated by Capital Blue Cross unless otherwise indicated below.

VI. REFERENCES

[TOP](#)

CPT 2020 Professional Edition

American Medical Association

HCPCS Level II Expert

NETWORK REIMBURSEMENT POLICY

POLICY TITLE	Reimbursement of Physical Medicine and Occupational Therapy Sessions or Visits
POLICY NUMBER	NR-09.007

Optum™ 2020

EncoderPro for Payers

Optum™ 2020