

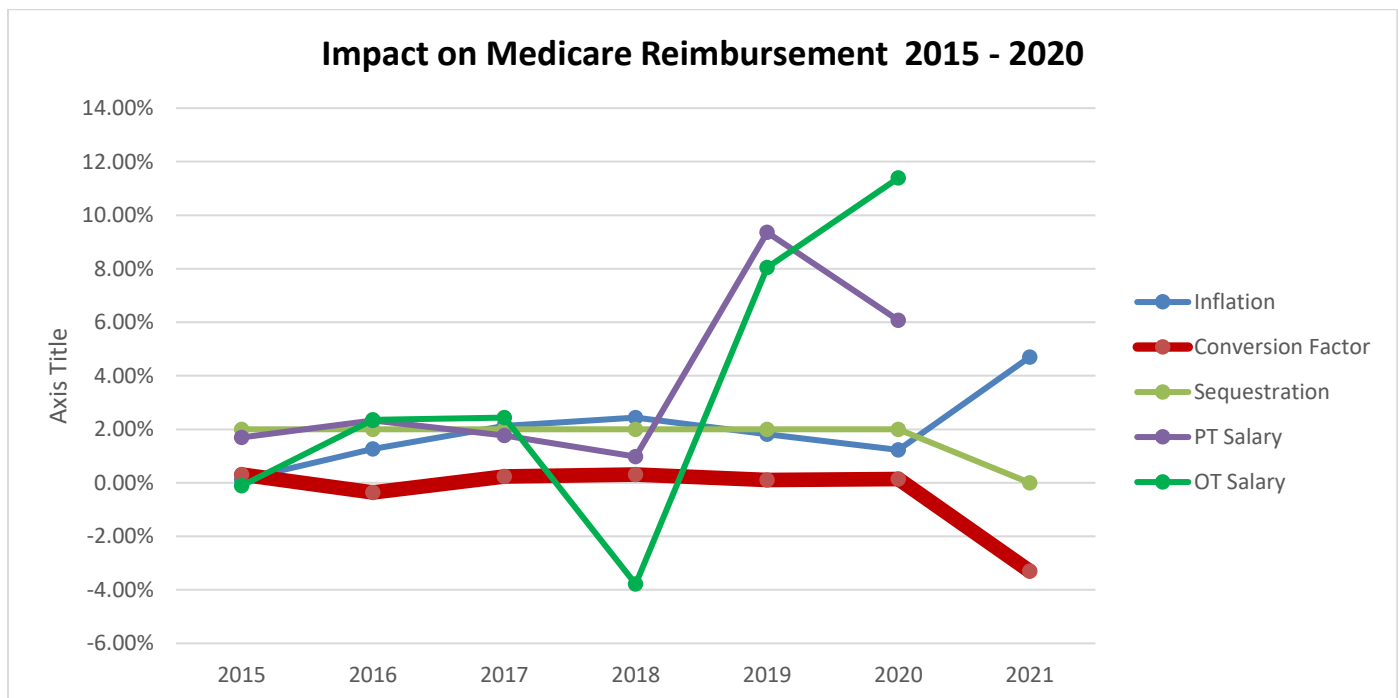


Stop Payment Reductions for Rehabilitation Providers

The National Association of Rehabilitation Providers and Agencies (NARA) opposes further reductions in Medicare reimbursement to Physical Therapy, Occupational Therapy and Speech Language Pathology providers.

From 2011 through 2022, rehabilitation providers have incurred approximately 29%+ in reimbursement reductions. These continuous cuts enacted by CMS are often replicated by commercial payers. MedPAC indicated in their June 2015 report to Congress that, “the Medicare population is projected to increase from 54 million beneficiaries today to over 80 million beneficiaries by 2030 as the baby-boom generation ages into Medicare.”¹ The services provided by rehabilitation providers are essential for Medicare beneficiaries who wish to age in place, particularly for the growing demographic with chronic conditions. The combination of significant increases in beneficiaries and consistent cumulative reductions in reimbursement to providers will cause a significant decrease in access to care. Providers are becoming unable to continue operating with cuts year after year after year started by CMS and increased costs to maintain their clinic(s).

Since 2015, inflation has increased by nearly 13.69%, salaries for Physical and Occupational Therapists have increased by on average 21%, while CMS has decreased the conversion factor by 7.76% as shown in the graphic below. The combination of year over year reimbursement cuts is will undoubtedly lead to a significant access to care issues for Medicare beneficiaries in need of physical therapy, occupational therapy, and speech language pathology services.



¹ https://www.medpac.gov/wp-content/uploads/import_data/scrape_files/docs/default-source/reports/chapter-2-the-next-generation-of-medicare-beneficiaries-june-2015-report-pdf

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Recommendations to Maintain Crucial Access to Care

- ✓ **Co-sponsor the Stabilizing Medicare Access to Rehabilitation and Therapy (SMART) Act (H.R. 5536)** introduced by Reps. Bobby Rush (D-IL) and Jason Smith (R-MO) which would delay the Therapy Assistant differential for 1 year, exclude rural and underserved areas from the therapy assistant payment reduction, and specifies that supervision requirements for outpatient physical therapy services that are furnished through private practice may not be more stringent for purposes of Medicare coverage than under state law. NARA along with AHCA, AOTA, APTA, APTA Private Sections, APTQI and NASL, commissioned Dobson, DaVanzo & Associates to do an independent, nonpartisan study² of the financial impact of the SMART Act. The focus was primarily on exempting rural or underserved areas from the 15% reduction on services provided by an occupational therapy assistant or physical therapist assistant; and bringing in line supervision requirements for OTAs and PTAs under Medicare Part B in private practice settings with state licensure laws as well as other setting where Medicare beneficiaries receive therapy services. Results show a **cost savings** generated through the change in supervision for OTAs and PTAs that could help pay for the elimination of the 15% assistant payment cut in rural or underserved areas which is estimated to cost CMS from \$741 million to \$1.58 billion over 10 years.
- ✓ **Congress should enact provisions to prevent statutory PAYGO sequester from taking effect because of the American Rescue Plan Act.** Congress has acted to waive the reductions, or “wipe the PAYGO scorecard clean” after passing legislation that increased the deficit since the enactment of PAYGO. Congress must prevent the 4% reduction in Medicare reimbursement from taking effect so providers can continue to provide beneficiaries access to these much-needed services.
- ✓ **Find a long-term solution for the Medicare Physician Fee Schedule.** The COVID-19 PHE has created severe financial hardships for the American healthcare infrastructure. As rehabilitation providers continue to face steep Medicare reimbursement cuts the impact becomes unsustainable for rehabilitation providers and will result in Medicare beneficiaries not being able to access the care provided by physical, occupational and speech therapy services.
 - The re-evaluation and subsequent significant increases of the Evaluation & Management (E/M) codes billed by primary physicians, has caused a significant decrease to nearly all other fee for service providers. We are appreciative of the action taken by Congress with the Consolidated Appropriations Act of 2021 that provided relief from these cuts for CY2022. However, this short-term fix is only temporary due to budget neutrality. The conversion factor has not been reflective of inflation, increases to cost of living, increase in technology costs, etc. – this is an unsustainable situation for providers who carry the increased expense burden while reimbursement continues to be cut. Reductions to the Physician Fee Schedule effect beneficiaries receiving services in all settings including outpatient clinics, hospitals, home health, and skilled nursing facilities.

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https://www.dobsondavanzo.com/index.php?src=directory&view=Publications&category=Cost%20Estimation&srctype=Publications_lister_redesign

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- ✓ **Congress should encourage CMS to create a class-specific geographic index for physical and occupational therapy services furnished by physical therapy assistants and occupational therapy assistants to offset the payment reduction in rural areas.** The greatest impact of the Medicare cuts is on underserved and rural communities where provider shortages are common and beneficiaries face access barriers.

Below is a table illustrating payment reductions rehabilitation providers have absorbed and upcoming scheduled payment reductions:

Policy/Year	Reduction Therapists	Reduction Therapy Assistants
Sequestration (2011-2030)	-2%	-2%
MPPR 2013-Current	-7%	-7%
Physician Fee Schedule 2021	-4%	-4%
Physician Fee Schedule 2022	-0.75%	-15.75%
Physician Fee Schedule 2023	-4.5%	-4.5%
Statutory PAYGO	-4%	-4%
TOTAL	22.25%	37.25%

NARA is the trade association representing 90+ organizations consisting of over 80,000 healthcare professionals dedicated to providing a multitude of skilled rehabilitation therapy services to individuals in a variety of settings including inpatient, outpatient, skilled care, assisted living, educational systems, industry/occupational health.