



**NARA**  
The National Association of  
Rehabilitation Providers and Agencies

## 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.**

Rehabilitation providers, already under financial stress from a series of Medicare reimbursement cuts, have had their financial challenges exacerbated by the COVID-19 Public Health Emergency (PHE) and restrictions put in place by CDC guideline for the health and safety of patients and practitioners.

Rehabilitation providers experienced the latest round of reductions in reimbursement starting in 2013 with 50% reduction for selected therapy services practice expenses (MPPR). In 2021, adjustments to the Medicare Physician Fee Schedule reduced rehabilitation providers reimbursement by approximately 3 - 4%. Although Congressional action staved off an immediate sequestration 2% cut to providers' Medicare payments, the reprieve is temporary, and the reduction is scheduled to return on January 1, 2022. However, there are additional cuts mandated by federal spending controls in 2022, 2023 and 2024.

The Congressional Budget Office has estimated a Statutory PAYGO sequester in fiscal year 2022 resulting from passage of the American Rescue Plan Act of 2021, the \$1.9 trillion COVID-19 relief package passed this March, would cause a 4% reduction in Medicare payments to providers.

Therapy provider payment reductions and upcoming scheduled payment reductions:

- 50% practice expense cut beginning in 2013
- 3-4% payment cut in 2021 due to the Medicare Physician Fee Schedule
- 2% Medicare sequestration scheduled to resume in 2022
- 6% payment cut scheduled for 2022 and 2023
- 15% payment cut to certain PTA and COTA services beginning in 2022
- 9% payment cut scheduled for 2024

### **Recommendations to Maintain Crucial Access to Care:**

- Congress reconsider the planned reductions to therapy providers and find ways to mitigate the adverse financial impact on providers and ensuing access problems for patients.
- The COVID-19 PHE has created severe financial hardships for the American health care infrastructure. As therapy providers face steep Medicare payment cuts the impact becomes unsustainable for therapy providers and can result in Medicare beneficiaries not being able to access the care provided by physical, occupational and speech therapy services. Continued cuts to therapy providers with short-term fixes before the full cut returns do long-term harm. It is critical for lawmakers stop these cuts.

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- Congress has passed legislation that has increased the deficit several times since enactment of the statutory PAYGO law but Congress has acted to waive the reductions, or “wipe the PAYGO scorecard clean”. NARA supports Congress enacting into law provisions to prevent a statutory PAYGO sequester from taking effect as a result of the American Rescue Plan Act. Congress must prevent the 4% reduction in Medicare reimbursement from taking effect in late 2021 so providers can continue to provide beneficiaries access to these much-needed services.
- Physician Fee Schedule reductions may be offset by incentive-based payments for RVU Data Collection. Consider additional ways for institutional providers to participate in Merit-Based Incentive Payment System (MIPS).
- Consider the greatest impact of the Medicare cuts effect underserved and rural communities where provider shortages are common and beneficiaries face access barriers. NARA supports CMS creating a class-specific geographic index for physical and occupational therapy services furnished by physical therapist assistants and occupational therapy assistants to offset the payment reduction in rural areas.

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*NARA is the trade association representing 90+ organizations consisting of over 45,000 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.*