

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 2024, rehabilitation providers have incurred up to 45% reduction in reimbursement.** Below is a list of the reductions during this period:

Policy/Year	Reduction Therapists	Reduction Therapy Assistants
MPPR 2011-2012 (initially 25%)	-7%	-7%
Sequestration (2011-2030)	-2%	-2%
MPPR 2013-Current (increase to 50%)	-7%	-7%
Physician Fee Schedule 2021	-4%	-4%
Physician Fee Schedule 2022	-0.75%	-15.75%
Physician Fee Schedule 2023	-1.35%	-1.35%
SUBTOTAL OF CURRENT REDUCTIONS	-22.10%	-37.10%
Statutory PAYGO	-4%	-4%
Physician Fee Schedule 2024	-3.4%	-3.4%
TOTAL	-29.50%	-44.50%

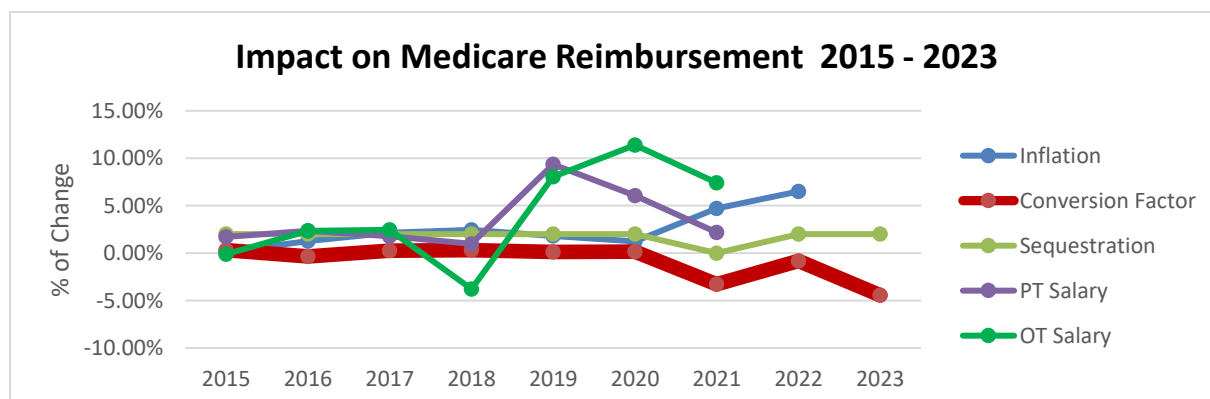
Since the COVID pandemic, reimbursement to therapy providers has decreased by 9.5% while expenses due to supplies and staffing shortages and inflation have significantly increased.

Impact of Reimbursement Reductions

- Disproportionate impact of beneficiaries that are high risk and in rural and underserved areas
- Decreased ability to invest in the technology needed for emerging practice areas
- Inability to meet increased salary requirements for qualified rehabilitation professionals due to inflation and the rising cost of living resulting in a significant workforce shortage
- Loss of essential skilled healthcare workforce to nonhealthcare jobs
- Closures of clinics secondary to not being able to cover their operational costs = decrease access to therapy services needed by beneficiaries after falls, joint replacements, strength declines and other injuries

Burden of Medicare Advantage Plans

- Increase in Medicare beneficiaries enrolled in Medicare Advantage plans:
 - Prior authorization requirements
 - Post pay takebacks without documentation review
 - Reimbursement not consistent with Medicare Physician Fee Schedule rates
 - Denying providers credentialing/contracting as in-network providers



National Association of Rehab Providers & Agencies

Stop Payment Reductions for Rehabilitation Providers

What We Are Asking For:

- **Support and pass HR 6680 Increase support for physicians and other practitioners in adjusting to Medicare payments changes.** This bill will provide relief from the CY 2024 3.37% cut to practitioners paid by the Medicare physician fee schedule.
- **Support and pass HR 4878 and S 2459 to ensure supervision requirements for outpatient physical therapy and occupational therapy services furnished through private practice may not be more stringent for purposes of Medicare coverage than under state law.** Currently outpatient therapy services in group practices, one of the least acute settings, has more stringent supervision requirements than all others. This results in the need for 2 clinicians on site for services to be delivered, further exacerbating difficult workforce issues.
- **Support Legislation and CMS Changes that would Exempt Rural and Underserved Areas From the 15% Assistant Reduction and Mitigation to Those Disproportionately Impacted.**
 - Create 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.
- **Find a Long-Term Solution for the Medicare Physician Fee Schedule.** The Physician Fee Schedule affects beneficiaries receiving services in all settings including outpatient clinics, hospitals, home health, and skilled nursing facilities.
 - House of Representatives: Support House of Representatives: Support *H.R.2474 - Strengthening Medicare for Patients and Providers Act*
 - Senate: Sponsor companion bill of *H.R.2474 - Strengthening Medicare for Patients and Providers Act*
 - Conversion Factor: does not consider inflation, rising cost of living, new technology expenses, etc. This is unsustainable for providers who carry the increased expense burden while reimbursement continues to be cut (H.R. 2474 would help with this issue).
 - Budget Neutrality: when additional reimbursement is required in one sector other sectors must absorb reimbursement cuts to offset increases. Rehabilitation providers have been disproportionately impacted by this ongoing practice.
- **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.

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 year over year reimbursement cuts 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.

NARA is the trade association representing 100 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.