New Year, New Codes
How to Bill for PT and OT Evaluations in 2017

December 2016 Webinar
9:00 AM PST / 12:00 PM EST
Overview of the 2017 Final Rule

• Therapy cap bumped from $1,960 to $1,980.
  o Still one cap for PT and SLP, combined, and one cap for OT.
  o Includes all diagnoses and care episodes over the course of the calendar year.

• MACRA extended therapy cap exceptions process through 2017 and modified the manual medical review (MMR) process:
  o Eliminated MMR for all claims exceeding $3,700.
  o Introduced targeted review process.
  o Prohibited use of recovery auditors.

• 2017 conversion factor increased to 35.8887.
• Changes to current CMS guidelines for documentation of evaluations and re-evaluations delayed for calendar year 2017.
PQRS and MIPS

• PQRS for outpatient therapy ends at the end of calendar year 2016.
• PQRS is being replaced by the Merit-Based Incentive Payment System (MIPS) beginning January 1, 2017.
• MIPS is a new program that combines parts of the Physician Quality Reporting System (PQRS), the Value-Based Modifier program (VM), and the Medicare Electronic Health Record (EHR) incentive program.
PQRS and MIPS

- Therapists are not included in the original list of eligible professionals who can participate in MIPS beginning January 1, 2017.
- In 2019, HHS can add eligible professionals to the MIPS program.
- This means that therapists in private practice can’t participate in MIPS until 2019—at the earliest.
- PTs may be able to voluntarily report measures in 2017 and 2018 (details to come).
Functional Limitation Reporting is still required:

- at the outset of the therapy episode (initial visit),
- every tenth visit (at minimum),
- at discharge,
- when an eval or re-eval is billed (currently applies to 97001, 97002, 97003, and 97004; will apply to CPT codes 97161–97168 in 2017),
- to end reporting of one functional limitation, and
- to begin reporting of a different functional limitation.
PT Evaluations: What’s New for 2017?

On January 1, 2017, 97001 will be replaced by three new evaluation codes:

1. 97161 (PT evaluation: low complexity)
2. 97162 (PT evaluation: moderate complexity)
3. 97163 (PT evaluation: high complexity)
PT Re-Evaluations: What’s New for 2017?

On January 1, 2017, 97002 will be replaced by 97164.

• A re-evaluation of an established physical therapy plan of care requires:

1. An examination including a review of history and use of standardized tests and measures, and

2. A revised plan of care using a standardized patient assessment instrument and/or measurable assessment of functional outcome.
OT Evaluations: What’s New for 2017?

On January 1, 2017, 97003 will be replaced by three new evaluation codes:

1. 97165 (OT evaluation: low complexity)
2. 97166 (OT evaluation: moderate complexity)
3. 97167 (OT evaluation: high complexity)
OT Re-Evaluations: What’s New for 2017?

On January 1, 2017, 97004 will be replaced by 97168.

• A re-evaluation of an established occupational therapy plan of care requires:

1. A revised plan of care that includes an assessment of changes in patient’s functional or medical status, and
2. An update to the initial occupational profile to reflect changes in condition or environment that affect future interventions and/or goals.
New PT and OT Evaluation Codes

- The new PT and OT evaluation and re-evaluation codes will apply to all insurance carriers—not just Medicare.
- All HIPAA-covered entities must use these codes.
  - This includes state Medicaid programs, Medicare Advantage plans, Aetna, TriCare, BCBS, Cigna, Humana, UnitedHealthcare, and Priority Health.
New PT and OT Evaluation Codes

Examples of non-HIPAA covered entities:

1. Long- and short-term disability insurance
2. Workers’ compensation
3. Automobile medical payment insurance
4. Coverage only for accident or disability income insurance (or any combination thereof)
5. Liability insurance, including general liability insurance and automobile liability insurance
PT Evaluation Components

Therapists will use the following four components to select the appropriate evaluation code:

1. Patient history and comorbidities
2. Examination and the use of standardized tests and measures
3. Clinical decision-making
4. Development of plan of care
OT Evaluation Components

Therapists will use the following four components to select the appropriate evaluation code:

1. Occupational profile and client history
2. Assessments of occupational performance
3. Clinical decision-making
4. Development of plan of care
Definitions

- **Body Regions** – Head, neck, back, lower extremities, upper extremities, and trunk
- **Body Systems** – Musculoskeletal, neuromuscular, cardiovascular/pulmonary, and integumentary
- **Body Structures** – Structural or anatomical parts of body, such as organs, limbs, and their components (classified according to body systems)
- **Personal Factors** – Any factors that influence how the individual experiences disability; if a factor exists but does not impact the plan of care, it should not be used to justify code selection (examples include sex, age, coping styles, social background, education, profession, past and current experience, overall behavior patterns, and character)
Definitions Related to OT Evaluations

- **Performance Deficits** – Inability to complete activities due to lack of physical skills, cognitive skills, and/or psychosocial skills.

- **Physical Skills** – Skills related to body structure or body function (e.g., balance, mobility, strength, dexterity, fine or gross motor coordination, sensation, and endurance).

- **Cognitive Skills** – Skills related to the ability to attend, perceive, think, understand, problem-solve, mentally sequence, learn, and remember—which collectively result in the ability to organize occupational performance in a timely and safe manner.

- **Psychosocial Skills** – Skills related to interpersonal interactions, habits, routines and behaviors, active use of coping strategies, and/or environmental adaptations to develop skills necessary to successfully and appropriately participate in everyday tasks and social situations.
## New PT Evaluation Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Complexity</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>97161</td>
<td>Low Complexity</td>
<td>Typically, the PT spends 20 minutes face-to-face with the patient and/or family.</td>
</tr>
<tr>
<td>97162</td>
<td>Moderate Complexity</td>
<td>Typically, the PT spends 30 minutes face-to-face with the patient and/or family.</td>
</tr>
<tr>
<td>97163</td>
<td>High Complexity</td>
<td>Typically, the PT spends 45 minutes face-to-face with the patient and/or family.</td>
</tr>
<tr>
<td>97164</td>
<td>Re-Evaluation</td>
<td>Typically, the PT spends 20 minutes face-to-face with the patient and/or family.</td>
</tr>
</tbody>
</table>
### New OT Evaluation Codes

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Time Spent</th>
</tr>
</thead>
<tbody>
<tr>
<td>97165</td>
<td>Low Complexity</td>
<td>Typically, the OT spends 30 minutes face-to-face with the patient and/or family.</td>
</tr>
<tr>
<td>97166</td>
<td>Moderate Complexity</td>
<td>Typically, the OT spends 45 minutes face-to-face with the patient and/or family.</td>
</tr>
<tr>
<td>97167</td>
<td>High Complexity</td>
<td>Typically, the OT spends 60 minutes face-to-face with the patient and/or family.</td>
</tr>
<tr>
<td>97168</td>
<td>Re-Evaluation</td>
<td>Typically, the OT spends 30 minutes face-to-face with the patient and/or family.</td>
</tr>
</tbody>
</table>
The patient has a history of the present problem without any personal factors and/or comorbidities that impact the plan of care.

The PT completes an examination of body system(s) using standardized tests and measures addressing 1-2 elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions.

The clinical presentation is stable and/or uncomplicated.

The PT exercises clinical decision-making of a low complexity, using a standardized patient assessment instrument and/or measurable assessment of functional outcome.
## OT Evaluation – Low Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>The patient’s occupational profile and medical and therapy history includes a <strong>brief history with review</strong> of medical and/or therapy records related to the presenting problem.</td>
<td>The OT completes an assessment(s) identifying <strong>1-3 performance deficits</strong> (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions.</td>
<td>The OT exercises clinical decision-making of a low complexity, which includes an analysis of the occupational profile, analysis of data from problem-focused assessment(s), and consideration of a limited number of treatment options. The patient presents with no comorbidities that affect occupational performance. Modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is not necessary to enable completion of evaluation component.</td>
</tr>
</tbody>
</table>
## PT Evaluation – Moderate Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Clinical Presentation</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>The patient has a history of the present problem with a history of 1-2 personal factors and/or comorbidities that impact the plan of care.</td>
<td>The PT completes an examination of body systems using standardized tests and measures addressing a total of 3 or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions.</td>
<td>The clinical presentation is evolving with changing characteristics.</td>
<td>The PT exercises clinical decision-making of a moderate complexity, using a standardized patient assessment instrument and/or measurable assessment of functional outcome.</td>
</tr>
</tbody>
</table>
# OT Evaluation – Moderate Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>The patient’s occupational profile and medical and therapy history includes an <strong>expanded review</strong> of medical and/or therapy records and <strong>additional review</strong> of physical, cognitive, or psychosocial history related to current functional performance.</td>
<td>The OT completes an assessment(s) identifying <strong>3-5 performance deficits</strong> (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions.</td>
<td>The OT exercises clinical decision-making of a moderate analytic complexity, which includes an analysis of the occupational profile, analysis of data from detailed assessment(s), and consideration of several treatment options. The patient may present with comorbidities that affect occupational performance. Minimal to moderate modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is necessary to enable completion of evaluation component.</td>
</tr>
</tbody>
</table>
### PT Evaluation – High Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Clinical Presentation</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>The patient has a history of the present problem with <strong>3 or more</strong></td>
<td>The PT completes an examination of body systems using standardized tests and</td>
<td>The clinical presentation is unstable with unpredictable characteristics.</td>
<td>The PT exercises clinical decision-making of a high complexity, using a standardized patient assessment instrument and/or measurable assessment of functional outcome.</td>
</tr>
<tr>
<td>personal factors and/or comorbidities that impact the plan of care.</td>
<td>measures addressing a total of <strong>4 or more elements</strong> from any of the</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>following: body structures and functions, activity limitations, and/or</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>participation restrictions.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### OT Evaluation – High Complexity

<table>
<thead>
<tr>
<th>History</th>
<th>Examination</th>
<th>Decision-Making</th>
</tr>
</thead>
<tbody>
<tr>
<td>The patient’s occupational profile and medical and therapy history includes review of medical and/or therapy records and <strong>extensive additional review</strong> of physical, cognitive, or psychosocial history related to current functional performance.</td>
<td>The OT completes an assessment(s) identifying <strong>5 or more performance deficits</strong> (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions.</td>
<td>The OT exercises clinical decision-making of a high analytic complexity, which includes an analysis of the patient profile, analysis of data from comprehensive assessment(s), and consideration of multiple treatment options. The patient presents with comorbidities that affect occupational performance. Significant modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is necessary to enable completion of evaluation component.</td>
</tr>
</tbody>
</table>
Factors That May Impact Level of Evaluation

- Patient’s age
- Time since onset of injury/illness/exacerbation
- Mechanism of injury/illness/exacerbation
- Past medical and surgical history
- Co-morbidities and their impact on improvement
- Prior level of function
- Current level of function
- Status of current condition
- Patient’s cognitive status and safety concerns
- Patient’s level of motivation
- Patient’s home situation (environment and family support)
- Objective examination findings
- Goals and goal agreement with the patient
- Rehab potential (prognosis) and probable outcome
- Expected progression of patient
Patient Example 1

Patient is a 53-year-old male.

- Low back pain began two weeks ago.
- Radiating pain and numbness on the top and sole of right foot began two days ago.
- Patient rates pain as six out of ten.
- Pain causes patient to wake up three to four times per night.
- PMH/PSH is insignificant.
- MMT: ankle DF 4/5; great toe DF 3+/5; ankle PF 4-/5
Patient Example 1

- L4 and L5 right transverse processes more posterior than left.
- Decreased sensation to light touch and pinprick on top and bottom of right foot.
- Antalgic gait pattern with weight bearing on right L/E; decreased stance time on right L/E compared to left L/E.
- Oswestry score is 44%.
  - Patient can sit or stand no more than 30 minutes; can’t lift heavy weights, but can lift and carry medium weights.
History - PT

**Low**
The patient has a history of the present problem without any personal factors and/or comorbidities that impact the plan of care.

**Moderate**
The patient has a history of the present problem with a history of 1-2 personal factors and/or comorbidities that impact the plan of care.

**High**
The patient has a history of the present problem with 3 or more personal factors and/or comorbidities that impact the plan of care.

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**Example 1 Patient History**

**Personal Factors:**
- None

**Co-morbidities (that impact POC)**
- None
**Examination - PT**

**Low**
The PT completes an examination of body system(s) using standardized tests and measures addressing 1-2 elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions.

**Example 1 Patient Examination**

<table>
<thead>
<tr>
<th>Body Functions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Sensation and pain</td>
</tr>
<tr>
<td>2. Muscle power</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Body Structures</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Lumbar vertebral column</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Activities of Daily Living Limitations</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Mobility – walking, carrying, and sleeping</td>
</tr>
</tbody>
</table>

**Moderate**
The PT completes an examination of body systems using standardized tests and measures addressing a total of 3 or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions.

**High**
The PT completes an examination of body systems using standardized tests and measures addressing a total of 4 or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions.

**Oswestry Score: 44%**
Clinical Presentation - PT

**Low**
The clinical presentation is stable and/or uncomplicated.

**Moderate**
The clinical presentation is evolving with changing characteristics.

**High**
The clinical presentation is unstable with unpredictable characteristics.

<table>
<thead>
<tr>
<th>Example 1 Patient Clinical Presentation</th>
</tr>
</thead>
<tbody>
<tr>
<td>What do you think?</td>
</tr>
</tbody>
</table>
## Decision-Making - PT

### Low
The PT exercises clinical decision-making of a low complexity, using a standardized patient assessment instrument and/or measurable assessment of functional outcome.

### Moderate
The PT exercises clinical decision-making of a moderate complexity, using a standardized patient assessment instrument and/or measurable assessment of functional outcome.

### High
The PT exercises clinical decision-making of a high complexity, using a standardized patient assessment instrument and/or measurable assessment of functional outcome.

### Example 1 Patient Decision-Making

**What do you think?**
Patient Example 2

Patient is an 82-year-old female.

- She had a non-traumatic brain stem infarction nine weeks ago.
- She spent 12 days in an IRF and five weeks in an SNF.
- She now presents to outpatient therapy.

• Therapist did a review of hospital IRF therapy records as well as SNF physician, therapy, psychologist, and social worker records and documentation.
Patient Example 2

• Personal Factors:
  o 5’3” and 183 pounds
  o Husband passed away five months ago
  o Lived alone prior to the CVA; now staying with her 53-year-old daughter who provides assistance
  o Having a difficult time coping with husband’s death; was going to a support group but now is unable to attend

• PMH/PSH:
  o Type 1 insulin-dependent diabetes
  o Legally blind
  o Left knee replacement one year ago
Patient Example 2

- Patient presents with short-term memory deficits as well as difficulty giving sustained attention to tasks.
- Patient presents with muscle weakness right U/E and right L/E, a hemiplegic gait pattern, and proprioceptive deficits on right side.
- Patient requires minimal PA with bed mobility and transfers and ambulates with a roller walker 35-50 feet, with minimal PA and verbal guidance for sequencing.
Patient Example 2

- Patient requires minimal PA for U/E dressing, moderate PA for L/E dressing, and minimal PA for bathing and toileting.

- Due to physical and cognitive deficits, patient is unable to perform domestic activities or household chores, including vacuuming, dusting, and laundry.

- Due to cognitive deficits and physical deficits, OT had to provide moderate modification to some evaluation components and assistance to the patient to complete some tasks.
History - OT

Low
The patient’s occupational profile and medical and therapy history includes a brief history with review of medical and/or therapy records related to the presenting problem.

Moderate
The patient’s occupational profile and medical and therapy history includes an expanded review of medical and/or therapy records and additional review of physical, cognitive, or psychosocial history related to current functional performance.

High
The patient’s occupational profile and medical and therapy history includes review of medical and/or therapy records and extensive additional review of physical, cognitive, or psychosocial history related to current functional performance.

Patient Example 2 Medical and Therapy History

- IRF record review
- SNF therapy medical record review
- Review of psychologist and social worker medical records
- Legally blind
**Examination - OT**

**Low**
The OT completes an assessment(s) identifying 1-3 performance deficits (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions.

**Moderate**
The OT completes an assessment(s) identifying 3-5 performance deficits (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions.

**High**
The OT completes an assessment(s) identifying 5 or more performance deficits (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions.

**Patient Example 2 Examination**

<table>
<thead>
<tr>
<th>Performance Deficits</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Dressing due to weakness, balance, and proprioceptive deficits</td>
</tr>
<tr>
<td>2. Bathing due to weakness, balance, and proprioceptive deficits</td>
</tr>
<tr>
<td>3. Toileting due to weakness, balance, and proprioceptive deficits</td>
</tr>
<tr>
<td>4. Functional mobility due to weakness, balance, and proprioceptive deficits</td>
</tr>
<tr>
<td>5. Bed mobility due to weakness, balance, and proprioceptive deficits</td>
</tr>
<tr>
<td>6. Transfers due to weakness, balance, and proprioceptive deficits</td>
</tr>
<tr>
<td>7. Domestic life activities due to weakness, balance, cognitive, and proprioceptive deficits</td>
</tr>
</tbody>
</table>
Decision-Making - OT

**Low**
The OT exercises clinical decision-making of a low complexity, which includes an analysis of the occupational profile, analysis of data from problem-focused assessment(s), and consideration of a limited number of treatment options. The patient presents with no comorbidities that affect occupational performance. Modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is not necessary to enable completion of evaluation component.

**Moderate**
The OT exercises clinical decision-making of a moderate analytic complexity, which includes an analysis of the occupational profile, analysis of data from detailed assessment(s), and consideration of several treatment options. The patient may present with comorbidities that affect occupational performance. Minimal to moderate modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is necessary to enable completion of evaluation component.

**High**
The OT exercises clinical decision-making of a high analytic complexity, which includes an analysis of the patient profile, analysis of data from comprehensive assessment(s), and consideration of multiple treatment options. The patient presents with comorbidities that affect occupational performance. Significant modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is necessary to enable completion of evaluation component.

*Patient Example 2*

**Decision-Making**

_What do you think?_
Seize This Opportunity

• Make a good-faith effort to code each patient evaluation accurately.

• Remember: this is only the first year of this coding change.

• Report good data, so CMS can develop pricing structures that align with the true value we provide.
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