

If you are viewing this course as a recorded course after the live webinar, you can use the scroll bar at the bottom of the player window to pause and navigate the course.

This handout is for reference only. It may not include content identical to the powerpoint. Any links included in the handout are current at the time of the live webinar, but are subject to change and may not be current at a later date.

# **Navigating the Money Maze: How SLP Services are Reimbursed in Different Settings**

Nancy B. Swigert, M.A., CCC-SLP, BCS-S

Swigert & Associates, Inc.  
nancyswigert1066@gmail.com

Swigert & Associates, Inc.

## **Disclosures**

- ♦ Swigert has the following financial disclosure:
  - ♦ Received an honorarium for this presentation
- ♦ Swigert has the following non-financial disclosure:
  - ♦ Presented and published on this topic previously

Swigert & Associates, Inc.

2

## Objectives

- ♦ Describe three main payers for SLP services
- ♦ Describe specific rules for payment in settings across the continuum of care
- ♦ Discuss differences in prospective vs. retrospective payment methods

Swigert &amp; Associates, Inc.

3

## WHO PAYS FOR SLP SERVICES?

- ♦ Medicaid
  - ♦ Medicare
    - ♦ Part A
    - ♦ Part B
    - ♦ Part C
    - ♦ Part D
  - ♦ Private insurance
  - ♦ Private Pay
- 
- Third party payers

Swigert &amp; Associates, Inc.

4

# Health Care Payment Systems

Medicaid  
Medicare

Swigert & Associates, Inc.

5

## Who decides what?

- ♦ Congress passes laws to establish and modify programs
- ♦ Administrative regulations (rules) are developed by the Centers for Medicaid and Medicare Services (CMS)
  - ♦ CMS contracts with insurance companies called Medicare Administrative Contractors (MACs) to administer the plans
    - ♦ Write Local Coverage Determinations (LCDs)
    - ♦ Different rules in different parts of the country

Swigert & Associates, Inc.

6

## Medicaid - Basics

- ♦ Enacted in 1965 as part of Title XIX of the Social Security Act
- ♦ Partnership program funded jointly between the States and Federal Government with more than half funded by the Feds
- ♦ In all states, Medicaid provides free or low-cost care for some low-income people, families and children, pregnant women, the elderly, and people with disabilities.
- ♦ States set individual eligibility criteria within federal minimum standards.

Swigert & Associates, Inc.

7

## Medicaid

- ♦ Federal law requires states that states cover certain population groups (mandatory eligibility groups) and gives them the flexibility to cover other population groups (optional eligibility groups).
- ♦ Mandatory service example is Early and Periodic Screening, Diagnostic and Treatment (EPSDT)
- ♦ Optional service example is Rehab and other therapies

Swigert & Associates, Inc.

8

## MEDICAID

- ♦ Affordable Care (2010)
  - ♦ Expanded coverage for the poorest Americans
  - ♦ Created opportunity for states to provide Medicaid eligibility
  - ♦ Effective Jan 1, 2014, individuals under age 65 with incomes up to 133% of federal poverty level qualified for Medicaid
- ♦ 4.6 million newly enrolled by Sept 2014
- ♦ 66 Million Americans enrolled
- ♦ [www.medicaid.gov/AffordableCareAct/Provisions/Eligibility.html](http://www.medicaid.gov/AffordableCareAct/Provisions/Eligibility.html)

Swigert & Associates, Inc.

9

## Supreme Court Decision June 2015

- Affordable Care Act (ACA) was upheld
- Individual insurance mandate is still in place
- Of the states that developed their own exchanges, many are now defaulting to the Federal exchange
- States will use the Federal structure but run their own exchange
- Participation in Medicaid expansion will continue to grow

Swigert & Associates, Inc.

10

## Habilitation with Medicaid

- While **Early and Periodic Screening, Diagnostic, and Treatment (EPSDT)** is a mandatory service, the habilitation part of the ACA will enhance accountability
- What ASHA has developed for us:
  - Improving State Coverage of Habilitation Services: Step-by-Step Guide for State Advocacy
  - Essential Coverage : Rehabilitative and Habilitative Services and Devices:  
[www.asha.org/uploadedFiles/Rehabilitative-Habilitative-Services-Devices.pdf](http://www.asha.org/uploadedFiles/Rehabilitative-Habilitative-Services-Devices.pdf)

Swigert &amp; Associates, Inc.

11

## Medicaid Managed Care

- Currently 38 states and D.C. have risk-contracting programs and more than half of all Medicaid beneficiaries are enrolled in Managed Care Organizations (MCOs)
- Originally focused on managing cost, not care
- Challenge –adequacy of provider networks and plan capabilities to handle more complex care needs
- Proposed rule issued – Summer 2015
- **Final rule should come out – Spring 2016**

Swigert &amp; Associates, Inc.

12

## OP SLP services under managed Medicaid

- ♦ May require authorization for evaluation
- ♦ Almost certainly will require pre-authorization after the evaluation before therapy can begin
- ♦ May limit the number of visits
- ♦ Medicaid (whether managed or not) for OP services is a **retrospective** payment system
  - ♦ *More on that in a minute*

Swigert &amp; Associates, Inc.

13

## MEDICAID Resources

- ♦ Medicaid uses the same ICD and CPT health care coding systems as Medicare and other payers, but payment policies and rates vary widely from state-to-state.
- ♦ Check with your State Medicaid agency for a fee schedule and provider manuals.
  - ♦ <http://medicaiddirectors.org/about/medicaid.-directors/>
- ♦ ASHA Tool Kit:  
[www.asha.org/Practice/reimbursement/medicaid/Medicaid-Toolkit/](http://www.asha.org/Practice/reimbursement/medicaid/Medicaid-Toolkit/)
- ♦ ASHA STAR Network: Advocates in your State  
[www.asha.org/practice/reimbursement/private-plans/reimbursement\\_network/](http://www.asha.org/practice/reimbursement/private-plans/reimbursement_network/)

Swigert &amp; Associates, Inc.

14

## Medicaid or Medicare

- ♦ Both are Government sponsored healthcare programs in the US that differ in the way they are governed and funded.
- ♦ Medicaid is an assistance program that covers low and no income families and individuals.
- ♦ Medicare is an insurance program that primarily covers seniors ages 65 and older and certain individuals with disabilities who qualify for Social Security
- ♦ Some may be eligible for both depending on their circumstances.

Swigert &amp; Associates, Inc.

15

## Retrospective vs. Prospective Payment

### Retrospective payment systems

- ♦ Service is provided
- ♦ Bill is submitted
- ♦ Third party payer reimburses the provider
- ♦ Financial risk is on the payer (though Medicare has implemented other things to reduce their risk)

### Prospective payment systems

- ♦ The payer has pre-determined an amount they will reimburse
- ♦ Can be based on diagnosis, complexity of care, length of stay, etc.
- ♦ Shifts the financial risk to the provider

Swigert &amp; Associates, Inc.

16

# Medicare



Parts – ABCD  
Coverage Criteria  
Payment Systems  
Documentation  
Supervision

Swigert & Associates, Inc.

17

## ABCDs of MEDICARE

### **A:** Everyone 65+ who paid taxes into Medicare has Part A

- Hospital inpatient services, Inpatient psych, Inpatient Rehab Facilities, Skilled Nursing Facilities, Home Health, Hospice

### **B:** Not everyone has Part B

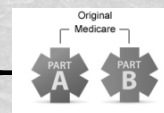
- Outpatient services, durable medical equipment, ambulance service, mental health, clinical research

### **C:** Medicare Replacement Plans

- Medicare Advantage Plan may have different rules, but the plan must give beneficiary at least the same coverage as Original Medicare and may include drug coverage

### **D:** Drug coverage

- Part D adds drug coverage to Original Medicare, some Medicare Cost Plans, some Medicare Private Fee-for-Service (PFFS) Plans, and Medicare Medical Savings Account (MSA) Plans



Swigert & Associates, Inc.

18

## For ALL Medicare Settings

- ♦ Patient is under care of physician and requires skilled therapy services, as demonstrated by physician's order for service or signature on the plan of care (POC)
- ♦ All covered Medicare services must be reasonable and necessary and provided at a level of complexity that requires a qualified professional for safe and effective care
- ♦ Medicare Benefit Policy Manual refers to Medicare Part B outpatient services as the standards for documentation
  - ♦ [www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf](http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf)

Swigert &amp; Associates, Inc.

19

## Let's do a little B before A

- ♦ Just the basics of Medicare Part B (more later)
- ♦ Then we'll delve into Medicare Part A

MEDICARE HEALTH INSURANCE

1-800-MEDICARE (1-800-633-4227)

NAME OF BENEFICIARY  
**JANE DOE**

MEDICARE CLAIM NUMBER  
**000-00-0000-A**

SEX  
**FEMALE**

IS ENTITLED TO  
**HOSPITAL (PART A)**  
**MEDICAL (PART B)**

EFFECTIVE DATE  
**07-01-2011**  
**07-01-2011**

SIGN HERE  
*Jane Doe*

Medicare Claim Number

Hospital (Part A) Effective Date

Medical (Part B) Effective Date

Swigert &amp; Associates, Inc.

20

## Part B – Physician charges and other outpatient services

- ♦ Fee-for-Service
  - ♦ Retrospective Payment
- ♦ 2016 Medicare Physician Fee Schedule
- ♦ Part B is voluntary program
  - ♦ *Not everyone has Part B*
- ♦ Requires payment of a monthly premium
- ♦ Individuals may refuse enrollment and coverage



Swigert &amp; Associates, Inc.

21

## Setting specific Medicare Part A

- ♦ Payment Systems Differ by Settings- It's not just hospital



Swigert &amp; Associates, Inc.

22

continued™

## Medicare Part A

- ♦ Hospital \*\*
- ♦ Skilled Nursing Facility
- ♦ Home Health
- ♦ Hospice

Swigert & Associates, Inc.

23

## Medicare Part A- What is a “hospital”?

- ♦ acute care hospitals
- ♦ critical access hospitals
- ♦ inpatient rehabilitation facilities
- ♦ long-term care hospitals
- ♦ inpatient care as part of a qualifying clinical research study
- ♦ mental health care

<http://www.medicare.gov/coverage/inpatient-hospital-care.html>

Swigert & Associates, Inc.

24

## Medicare A- Hospital IP

- ♦ All people with Medicare are covered when **all** of these are true:
- A doctor makes an official order which says the patient needs 2 or more midnights of medically necessary inpatient hospital care to treat illness or injury and the hospital formally admits the patient.
- The patient needs the kind of care that can be given only in a hospital.
- The patient has a qualifying diagnosis

Swigert &amp; Associates, Inc.

25

## How are Part A services paid?

- ♦ Prospective payment systems (PPS)
- ♦ Facility is given a fixed, pre-determined amount and expected to cover all needed services
- ♦ Places the financial risk on the facility
  - ♦ If services are over-used, the facility loses money

Swigert &amp; Associates, Inc.

26

## What does patient pay for Part A?

- ♦ A deductible each benefit period
- ♦ Original Medicare will cover in full for days 1 to 60. For days 61-90, patient pays a daily coinsurance.
- ♦ Medicare pays for up to 60 additional hospital days in patient's lifetime with a high daily coinsurance, after patient has used up 90 days of hospital coverage in a benefit period.

Swigert &amp; Associates, Inc.

27

## Part A - Hospital Inpatient

- ♦ Diagnosis Related Groups (DRGs) – all services provided in hospital with exception of specific physician services
- ♦ *Per-case reimbursement mechanism under which inpatient admission cases are divided into relatively homogeneous categories called diagnosis-related groups (DRGs)*
  - ♦ DRGs determined by organ system, surgical procedures, comorbidities, and gender
- ♦ Procedures will be tracked by hospital and reported to CMS as resources, but are not actually billed using CPT codes

Swigert &amp; Associates, Inc.

28

## PPS Part A - Hospital

- ♦ Many changes taking place in reimbursement
  - ♦ Hospital Readmissions Reduction Program
  - ♦ Hospital Value-Based Purchasing Program
    - ♦ Medicare Spend Per Beneficiary

<http://www.medicare.gov/hospitalcompare/linking-quality-to-payment.html>

<http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/hospital-value-based-purchasing/Downloads/MSPBDetail-Dec2012.pdf>

Swigert & Associates, Inc.

29

## Part A LTAC

- ♦ LTAC (Long Term Acute Care) – Paid at per diem rate rather than DRG
  - ♦ Room and Board
  - ♦ Lab work
  - ♦ Therapies
- ♦ Prior authorization required for stay

Swigert & Associates, Inc.

30

## In-patient rehabilitation facilities (IRF)

- ♦ Patient must have qualifying state at acute hospital
- ♦ The IRF PPS payment based on information found in the IRF-patient assessment instrument (PAI).
- ♦ The IRF-PAI contains patient clinical, demographic, and other information and classifies the patient into distinct groups based on clinical characteristics and expected resource needs.
- ♦ Then patient's responsibility is same as for acute care
  - ♦ For the first 60 days, Part A hospital insurance pays for everything. From 60-90th day, patient pays a daily co-pay

Swigert &amp; Associates, Inc.

31

## When is an A really a B?



- ♦ The problem is..... you may think your patient is covered as a Part A stay
- ♦ But some patients using Medicare Part B don't "look like" out-patients
- ♦ Part B may be covering services in acute care, skilled nursing and home health
- ♦ Then, all regulations related to Part B apply

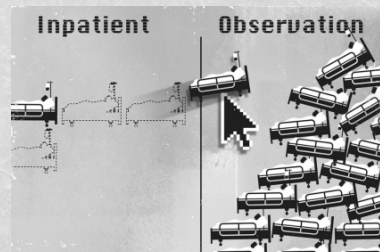
Swigert &amp; Associates, Inc.

32

## Hospital Observation Status

### Part B may become Part A...or not

- ♦ Observation services are hospital outpatient services rendered while the doctor decides whether to admit the person as an inpatient or discharge them. Observation services can be rendered in the emergency department or another area of the hospital.
- ♦ The decision for inpatient hospital admission is a complex medical decision based on the doctor's judgment and the need for medically necessary hospital care.
  - ♦ Two midnights
  - ♦ Qualifying diagnosis



Swigert &amp; Associates, Inc.

33

## SLP services in Acute Care

- ♦ Since the facility is receiving a set rate, there may be pressure for the SLP to provide fewer, not more, services
- ♦ Whether the patient receives one instrumental swallow evaluation or two, twice daily therapy or once daily therapy...
  - ♦ The amount of reimbursement from Medicare is not going to change



Swigert &amp; Associates, Inc.

34

## Part A - Skilled Nursing Facility

- ♦ Prospective Payment System (PPS)
- ♦ Per diem payment
- ♦ Based on patient case-mix determined by assessment through Minimum Data Set (MDS)
- ♦ Resource Utilization Groups (RUGs)
  - ♦ 66 groups depending on the patient's needs
  - ♦ More than 1/3 of groups include PT, OT, or SLP



Swigert &amp; Associates, Inc.

35

## Part A - Skilled Nursing Facility

- ♦ Resource Utilization Groups- Therapy level based on minutes per week, frequency of treatment
- ♦ RUG levels for therapy are classified as:
  - ♦ Ultra high: at least 720 mins; Min 2 disciplines, one at least 5 days/wk
  - ♦ Very high: at least 500 mins; Min 1 discipline 5 days/wk
  - ♦ High: at least 325 mins; Min 1 discipline 5 days/wk
  - ♦ Medium: at least 150 mins; Min 5 days/wk
  - ♦ Low: at least 45 mins; Min 3 days/wk, +2 restorative nursing services 6 days/wk

Swigert &amp; Associates, Inc.

36

## Medicare Part A- Skilled Nursing

- ♦ Patient has Part A and has days left in benefit period
  - ♦ 100 days/calendar year
- ♦ Has a qualifying hospital stay
- ♦ Physician decided that patient needs daily skilled care
- ♦ Patient in SNF for skilled rehab services only, care is considered daily care even if these therapy services are offered just 5 or 6 days a week, as long as patient needs and get the therapy services each day they're offered.
- ♦ Skilled services needed for a medical condition

Swigert &amp; Associates, Inc.

37

## PPS Part A: Skilled Nursing Facilities (SNFs)

- ♦ Minimum Data Set (MDS) – triggers assessments by other professionals
- ♦ SLP – Cognitive Patterns, Communication/Hearing patterns, & Oral/Nutritional status

Swigert &amp; Associates, Inc.

38

## SLP services in SNFs

- ♦ MDS assessment does not count toward therapy minutes
- ♦ SLP recommends frequency, length of session, & duration of treatment
- ♦ SLP time spent on documentation or on initial evaluation is not included
  - ♦ Why not? Time spent on evaluation is included in calculation of RUG rate and not to be reported
- ♦ Re-evaluation if conducted as part of treatment process is counted
- ♦ Family education when resident is present is counted and must be documented in resident's record

Swigert &amp; Associates, Inc.

39

## SLP services in SNFs

- ♦ It is not acceptable to deliver unnecessary (unskilled, not medically necessary) or inappropriate (patient is ill, unresponsive, or refusing treatment) services in order to reach a particular RUG level or meet the weekly number of minutes
- ♦ (ASHA Leader 2014, *Medicare Guidance for SLP Services in Skilled Nursing Facilities*)

Swigert &amp; Associates, Inc.

40

## SLP services in SNFs

- ♦ The services must be reasonable and necessary for the treatment of the resident's condition; this includes the requirement that the amount, frequency, and duration of the services must be reasonable and they must be furnished by qualified personnel (*Resident Assessment Instrument (RAI) Manual, Version 3.0*)
- ♦ "Individuals shall not provide professional services without exercising independent professional judgment, regardless of referral source or prescription" (*ASHA's Code of Ethics, Principle of Ethics IV, Rule J*)

Swigert &amp; Associates, Inc.

41

## Therapy services Part A SNF

- ♦ Procedures will be tracked by SNF and SLPs may be asked to use CPT codes, but actually billing does not use CPT codes



Swigert &amp; Associates, Inc.

42

## Skilled Nursing Facilities

### Part A to Part B in SNFs

- ♦ Medicare Part B – reimbursement begins **after first 100 days** under Part A
- ♦ Services under Part B – billed using CPT codes
  - ♦ Medicare Physician Fee Schedule
  - ♦ Retrospective payment system
- ♦ Most procedures provided by SLPs are untimed under Part B



Swigert &amp; Associates, Inc.

43

## Consolidated billing

- ♦ Prior to enactment of the Balanced Budget Act of 1997, when a patient from a SNF or who was receiving HH services received certain services at a hospital OP department (e.g. modified barium swallow), the hospital billed directly to Medicare for that Part B procedure
- ♦ Now, for patients in SNF or HH who receive certain “out-patient” services, the hospital bills the facility/agency and they have to “consolidate” that bill and pay the hospital out of the IP prospective daily payment they are receiving

Swigert &amp; Associates, Inc.

44

# Student Supervision

Medicare Part A versus Medicare Part B

Swigert & Associates, Inc.

45

## Medicare Part A - Hospital Supervision Students & Unlicensed Clinical Fellows

- ♦ Because of the PPS utilized for inpatient hospital Part A services, claims submitted by hospitals typically list the “attending physician” as provider of record
- ♦ Assumption - services are provided by appropriately trained auxiliary personnel and physicians are readily available in cases of emergency
- ♦ Thus, Part A Hospital supervision is presumed **DIRECT**

Swigert & Associates, Inc.

46

## Medicare Part A - SNFs - Supervision

### Students & Unlicensed Clinical Fellows

- ♦ Students are not required to be in the line-of-sight for supervision at the discretion of supervising provider within individual facilities (10/01/2011)
- ♦ All state and professional practice guidelines for student supervision must be followed.
- ♦ Students and unlicensed CFs are considered extensions, not independent of, the professional provider
- ♦ Although SNF supervision rules for Part A services are less stringent than Part B rules, responsibility of care remains 100% with supervising provider

Swigert & Associates, Inc.

47

## Medicare Part B Supervision

### Students and Unlicensed Clinical Fellows

- ♦ Medicare Part B requires **100%** personal supervision of SLP students by qualified SLP
  - ♦ Must be in the room
  - ♦ Must be directing the service
  - ♦ Must not be engaged in other activities
- ♦ Students and unlicensed clinical fellows are considered extensions of qualified practitioner
- ♦ Does NOT apply to non-Medicare settings unless specified



Swigert & Associates, Inc.

48

## Home Health Agency (HHA)

- ♦ Prospective payment system (PPS) based on 60-day episode of care pays HHAs a predetermined rate
- ♦ Pts receiving 5 or more visits are assigned to 1 of 153 Home Health Resource Groups (HHRGs) based on clinical & functional status & service use as measured by the Outcome and Assessment Information Set (OASIS)
- ♦ If fewer than 5 visits are delivered during a 60-day episode, the HHA is paid per visit (by visit type), rather than by episode payment

Swigert &amp; Associates, Inc.

49

## Medicare Part A- Home Health

- ♦ Under the care of a doctor, and getting services under a plan of care established and reviewed regularly by a doctor.
- ♦ Patient must need, and a doctor must certify that patient needs, one or more of these:
  - ♦ Intermittent skilled nursing care (other than just drawing blood)
  - ♦ PT, SLP or continued OT
- ♦ Must be homebound

Swigert &amp; Associates, Inc.

50

## Home Health Agency (HHA)

- ♦ Beneficiaries who are generally restricted to their homes and need skilled care on a part-time or intermittent basis
- ♦ Payment rates are based on patients' conditions and service use
- ♦ Adjusted to reflect the level of market input prices in geographical area where services are delivered
- ♦ Beneficiaries not required to make any copayments or other cost sharing for these services.
- ♦ Medicare pays for home health care with both Part A and Part B funds

<http://www.medpac.gov/documents/payment-basics/>

Swigert & Associates, Inc.

51

## Therapy services in Home Health

- These services are covered only when the services are specific, safe and an effective treatment for your condition.
- The amount, frequency and time period of the services needs to be reasonable, and they need to be complex or only qualified therapists can do them safely and effectively.
- To be eligible, either:
  - ♦ 1) patient's condition must be expected to improve in a reasonable and generally-predictable period of time, or
  - ♦ 2) patient needs a skilled therapist to safely and effectively make a maintenance program for your condition, or
  - ♦ 3) patient needs a skilled therapist to safely and effectively do maintenance therapy for your condition.

Swigert & Associates, Inc.

52

## Medicare Part A – Hospice

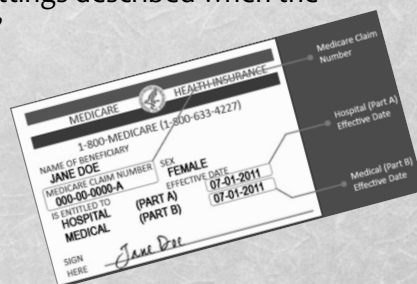
- ♦ Usually given in the home and includes these services when the doctor includes them in the plan of care for palliative care (for comfort) or for terminal illness and related condition(s)

## Hospice

- |  |  |
|--|--|
| ♦ Doctor services  | ♦ Social work services   |
| ♦ Nursing care   | ♦ Dietary counseling   |
| ♦ Medical equipment (like wheelchairs or walkers)                              | ♦ Grief and loss counseling for patient and family   |
| ♦ Medical supplies (like bandages and catheters)                               | ♦ Short-term inpatient care (for pain and symptom management)  |
| ♦ Drugs for symptom control or pain relief (may need to pay a small copayment) | ♦ Short term respite care (may need to pay a small copayment)  |
| ♦ Hospice aide and homemaker services  | ♦ Any other Medicare-covered services needed to manage pain and other symptoms related to the terminal illness, as recommended by the hospice team |
| ♦ Physical and occupational therapy  |  |
| ♦ <b>Speech-language pathology services</b>                                    |  |

## Back to B

- ♦ Part B Out-patient
- ♦ Services provided in out-patient departments, clinics, private practices
  - ♦ And in the in-patient settings described when the patient is a “B in a bed”



Swigert &amp; Associates, Inc.

55

## Medicare Part B

### Part B covers things like:

- ♦ Clinical research
- ♦ Ambulance services
- ♦ Durable medical equipment (DME)
- ♦ Mental health
- ♦ Out-patient therapy services
- ♦ Part B is not prospective pay
  - ♦ Well, at least for now
- ♦ Part B is fee-for-service
- ♦ Paid according to the Medicare Physician's Fee Schedule

Swigert &amp; Associates, Inc.

56

# Medicare enrollment

Update

If you plan to see patients with Medicare, you should enroll

57

## Medicare Improvements for Patients and Providers Act of 2008 (MIPPA)

- MIPPA – Effective July 1, 2009
- Granted SLPs independent billing to Medicare
- Allowed SLPs to become Medicare Providers
- Recognized SLPs as professionals rather than technical assistants

58

## SLP Medicare Provider How to Enroll

- First, obtain your National Provider Identifier (NPI)
  - apply online at [www.nppes.cms.hhs.gov](http://www.nppes.cms.hhs.gov)
  - free of charge
- Having an NPI number does NOT mean you are a Medicare Provider
- **Medicare enrollment is a separate process**

59

## SLP Medicare Provider

- Application reviewed by the Medicare Administrative Contractor (Mac) for approval
- Enroll online at the Medicare Provider Enrollment, Chain, and Ownership System (PECOS) website: [www.pecos.cms.hhs.gov](http://www.pecos.cms.hhs.gov)
- See instructions on ASHA's Website at [www.asha.org/practice/reimbursement/medicare/SLPrivatepractice](http://www.asha.org/practice/reimbursement/medicare/SLPrivatepractice)

60

# 2016 Medicare Physician Fee Schedule

Sustainable Growth Rate  
Therapy Cap  
Manual Medical Review

Swigert & Associates, Inc.

61

## Sustainable Growth Rate

### REPEALED April 14, 2015

- Congress passed the Medicare Access and CHIP Reauthorization Act- repeals the Sustainable Growth Rate (SGR) payment formula that was used to determine the Conversion Factor
- Conversion Factor will remain stable with annual payment increase of 0.5 percent
- Began July 1, 2015, continues each year through 2019
- Payment frozen from 2020 to 2025
- After 2025 payment adjustments based on participation in alternative payment models and quality reporting
- 2016 Conversion factor = \$35.8279 (as compared to \$35.9335 from 2015)

Swigert & Associates, Inc.

62

## 2016 Medicare Physician fee Schedule

Table 2. National Medicare Part B Rates for Speech-Language Pathology Services

Speech-language pathology services are paid at non-facility rates, regardless of setting. All claims should be accompanied by the -GN modifier to indicate services provided under speech-language pathology plan of care.

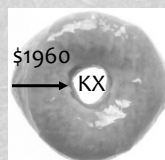
CPT Code	Descriptor	2016 National Fee	Notes
31579	Laryngoscopy, flexible or rigid fiberoptic, with stroboscopy	\$216.04	This procedure may require physician supervision based on Medicare Administrative Contractors' (MACs') local coverage policies or state practice acts. See <a href="#">ASHA's website</a> for more information.
92507	Treatment of speech, language, voice, communication, and/or auditory processing disorder; individual	\$79.90	
92508	group, 2 or more individuals	\$23.29	
92511	Nasopharyngoscopy with endoscope (separate procedure)	\$113.93	This procedure may require physician supervision based on MACs' local coverage policies or state practice acts. See <a href="#">ASHA's website</a> for more information.
92512	Nasal function studies (eg, rhinomanometry)	\$61.98	
92520	Laryngeal function studies (ie, aerodynamic testing and acoustic testing)	\$76.67	
92521	Evaluation of speech fluency (eg, stuttering, cluttering)	\$112.14	
92522	Evaluation of speech sound production (eg, articulation, phonological process, apraxia, dysarthria)	\$93.51	Do not bill 92522 in conjunction with 92523.
92523	Evaluation of speech sound production (eg, articulation, phonological process, apraxia, dysarthria); with evaluation of language comprehension and expression (eg, receptive and expressive language)	\$195.98	Do not bill 92523 in conjunction with 92522.
92524	Behavioral and qualitative analysis of voice and resonance	\$90.29	This procedure does not include instrumental assessment.
92526	Treatment of swallowing dysfunction and/or oral function for feeding	\$86.70	

## Medicare Physician Fee Schedule (MPFS)

- ♦ All references to MPFS include the 80% that Medicare pays and the 20% patient coinsurance
  - ♦ 92524 MPFS \$90.29
    - ♦ 80% paid by Medicare = \$72.23
    - ♦ 20% paid by patient as coinsurance = \$18.07
- ♦ Many private insurers and Medicaid programs model their own payments on Medicare's
- ♦ MPFS ends up largely determining physician incomes... and ours too
- ♦ MPFS appears in Final Rule in late fall for following year

## Therapy Cap for 2016

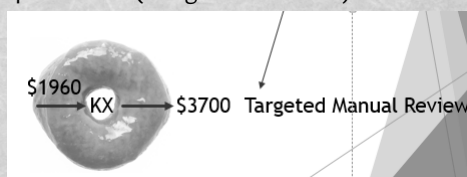
- Therapy cap and exceptions process will continue for 2 years until December 31, 2017.
- KX modifier, if applicable, for those who have exceeded \$1,960 cap
- Repeal effort part of the Medicare Access and CHIP Reauthorization Act



65

## Manual Medical Review... the second cap

- MMR began Oct 2012 for combined SLP/PT services over a \$3,700 threshold; separate OT threshold of \$3,700
- Extended through December 31, 2017
- **Targeted Claims Reaching \$3,700**
  - High denial rates
  - Aberrant or questionable billing activities
  - Newly enrolled provider
  - Therapy provided to treat a certain medical condition
  - Provider is part of a larger group identified (using above criteria)



66

## Just because a facility has been paid...

- ♦ Doesn't mean they get to keep the money
- ♦ Recovery Audit Contractors
  - ♦ Contracted by CMS to audit payments
  - ♦ They are paid on a % of what they recover

Swigert & Associates, Inc.

67

## Private Insurance

Deductibles  
Co-payments

Swigert & Associates, Inc.

68

## A few things about private insurance

- ♦ Out of pocket expenses: Deductibles, co-insurance and co-payments



69

## Out of pocket: deductibles

- ♦ Deductibles: Fixed dollar amount consumer pays out of pocket before the insurance will cover the remaining eligible expenses.
- ♦ Depending on the insurance plan, the deductible can range from \$0 all the way up to thousands of dollars.
- ♦ Higher the deductible the lower the premium (price to buy the plan), and vice versa
  - ♦ Practically speaking, clients may decline to come to therapy early in the calendar year because they have not met their deductible

Swigert &amp; Associates, Inc.

70

## Out of pocket: Co-insurance

- ♦ Co-insurance: usually a percentage.
- ♦ Represents the percentage cost that consumer pays and the insurance plan pays towards eligible medical expenses.
- ♦ Some common coinsurance examples include: 100%, 80/20, 90/10 and 50/50
- ♦ Consumer pays the deductible amount first and then the co-insurance percentage applies

Swigert & Associates, Inc.

71

## Out of pocket: Co-payments

- ♦ Co-pays: Copays are similar to deductibles.
- ♦ Fixed amount of money consumer pays each time they need to use their insurance plan.
- ♦ Unlike deductibles, copays tend to be smaller dollar amounts and are applied on a per visit basis.
  - ♦ High copays may keep the consumer from coming in for therapy

Swigert & Associates, Inc.

72

## Private insurance IP stays

- ♦ Determines how to pay for in-patient stays
- ♦ Many use some form of prospective payment (e.g. per day rate; per case rate)
- ♦ During IP stays, SLP services almost always covered

Swigert & Associates, Inc.

73

## Private insurance for OP SLP services

- ♦ Each policy is different
- ♦ Most require a medical “cause” of the communication or swallowing disorder
- ♦ Most are managed care plans (e.g. HMO, PPO)
  - ♦ Limit the number of visits
  - ♦ May require pre-authorization
  - ♦ May not cover certain diagnoses
  - ♦ Many do not cover things they consider “developmental” or those covered as “educational”

Swigert & Associates, Inc.

74

## Private insurance for SLP

- ♦ High-deductible plans
  - ♦ May keep patients from coming for therapy if they have not met their deductible
- ♦ Some plans set very high co-pays, which deter patients from coming for therapy

Swigert & Associates, Inc.

75

## Private insurance as supplemental to Medicare

- ♦ Some individuals who are Medicare beneficiaries purchase an insurance plan to supplement what Medicare pays
- ♦ These policies usually cover the 20% co-insurance for Medicare Part B services

Swigert & Associates, Inc.

76

## Trends in reimbursement

- ♦ Increasingly, Medicare (and other payers) will be moving toward pay-for-performance and away from pay-for-service
  - ♦ Certain outcomes will be expected
  - ♦ If outcomes not achieved, reimbursement will be affected
- ♦ Important for all practitioners to stay abreast of changes in reimbursement methodologies

77

## Questions?

- ♦ [nancyswigert1066@gmail.com](mailto:nancyswigert1066@gmail.com)

Swigert &amp; Associates, Inc.

78