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MEMORANDUM

TO: RHCF and HCBS Members

FROM: Patrick Cucinelli, Senior Director of Public Policy Solutions

DATE: December 15, 2014

SUBJECT: **Medicare Part B Rates for 2015**

ROUTE TO: Administrator, CFO, Billing Director, Therapy Director, Medical Director

Abstract: LeadingAge provides members with Medicare Part B rate calculations and additional background.

Introduction

The Centers for Medicare and Medicaid Services (CMS) has released a [fact sheet](#) on the Medicare Physician Fee Schedule (MPFS) for 2015 that includes Medicare Part B rates paid to nursing homes and home health agencies for ancillary services. As currently posted, the MPFS includes an average 21.2 percent reduction in rates **effective April 1, 2015. Legislation passed in the early part of this year extended the 2014 rates into the first quarter of 2015 instead of the usual Jan. 1 effective date.**

Extension of 2014 Rates

As a reminder, President Obama had signed the [Pathway for SGR Reform Act of 2013](#) into law. This law prevented a scheduled payment reduction in the MPFS in 2014, and, as noted above, extends those rates into the first quarter of 2015. Important provisions of this law include:

- **Section 101** of the law overrode the previously announced 20.1 percent reduction in Medicare Part B rates for 2014 and substituted an overall 0.5 percent increase in the MPFS for the period of **Jan. 1, 2014 through March 31, 2015;**

- *Section 103* extended the therapy caps exceptions process and application of the KX modifier through **March 31, 2015** (for the CMS therapy caps and the exceptions process web site, please [click here](#)); and
- By extending certain provisions of the [American Taxpayer Relief Act of 2012](#), *Section 103* also extended the mandate that Medicare perform manual medical review of therapy services for the same period of Jan. 1, 2014 through March 31, 2015. This review applies when the exceptions process is triggered and the beneficiary has reached a dollar aggregate threshold amount of \$3,700, including hospital outpatient department therapy services. The two separate \$3,700 aggregate annual thresholds remain unchanged: (1) physical therapy and speech-language pathology services combined and (2) a separate threshold for occupational therapy services.

Final Rule for 2015

Members are advised that for several years now CMS has been mandated to publish initial Medicare Part B rates that include a significant reduction based on the current sustainable growth rate formula (SGR). Policy and lawmakers generally acknowledge that the SGR methodology is flawed and Congress has always intervened to override the otherwise negative rate adjustments of the past few years. It is unlikely that Medicare Administrative Contractors will be updating payment files until it becomes clear as to whether or not Congress will once again intervene. Again, it may be premature at this time to assume that the rates as just published will be the final rates effective **April 1, 2015**. Based upon our experience of the past few years, LeadingAge NY has been advising members to budget 2015 Part B rates effective April at an amount level with 2014.

LeadingAge Calculation Tool

LeadingAge national has posted their [Pt. B Therapy Rate Calculation tool](#) on their web site. This tool calculates Medicare Part B rates for the first quarter of 2015. This tool does not reflect the 21.2 percent decrease that will take effect April 1, 2015 unless Congress acts to override the current final rule. The rate tool calculates Medicare Part B rates for the most commonly used ancillary services. For member convenience, we have also summarized the rates in the appendix to this memo. Members should also note that the tool allows for calculation of the Multiple Procedure Payment Reduction (MPPR) reduction to 50 percent for all settings, effective April 1, 2013.

Reminder on MPPR

Many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure. The MPPR applies to the PE payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedures. Full payment is made for the unit or procedure with the highest PE payment. Effective for claims with dates of service April 1, 2013 and after, full payment is made for the work and malpractice components and 50 percent payment is made for the PE for subsequent units and procedures, furnished to the same patient on the same day.

For therapy services furnished by a group practice or “incident to” a physician's service, the MPPR applies to all services furnished to a patient on the same day, regardless of whether the services are provided in one therapy discipline or multiple disciplines, for example, physical therapy, occupational therapy, or speech-language pathology.

The reduction applies to the HCPCS codes contained on the list of “always therapy” services that are paid under the MPFS, regardless of the type of provider or supplier that furnishes the services (e.g. hospitals, home health agencies, and comprehensive outpatient rehabilitation facilities (CORFs)). For professional claims, the MPPR applies to the procedures with a Multiple Procedure (Field 21) value of “5” on the Medicare Fee Schedule Database (MFSDB). For institutional claims, the MPPR applies to procedures with a Multiple Services Indicator (field labeled MULTSURG) value of “5” on the therapy abstract file.

For more details please refer to [MLN Matters article #MM8206](#).

Therapy Caps

The Medicare Part B outpatient therapy cap for Occupational Therapy (OT) is \$1,940 for 2015, and the combined cap for Physical Therapy (PT) and Speech-Language Pathology Services (SLP) is \$1,940 for 2015. This is an annual per beneficiary therapy cap amount determined for each calendar year. Exceptions to the therapy cap are allowed for reasonable and necessary therapy services. The therapy caps are effective on a calendar year basis, so these new amounts are effective Jan. 1, 2015. For more details, please see [MLN Matters article MM8970](#).

Conclusion

It is important for providers to watch for further developments in terms of a Congressional override of the currently scheduled 21.2 percent reduction in rates effective April 1, 2015. LeadingAge is advocating for Congress to act to avert a major reduction in rates. LeadingAge NY will be keeping member informed regarding further developments.

Please contact me with any questions at pcucinelli@leadingageny.org or call 518-867-8827.

Attachment: Medicare Part B Rates for NY

N:\NYAHSA\Policy\pcucinelli\Medicare Rates\December 2014 Medicare Part B Rate Calculations.doc

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Table 1. 1st QUARTER 2015 MPFS Rates Page 1 of 2

LeadingAge NY Dec. 2014

CPT/ HCPCS Codes	Description	Manhattan		NYC Suburbs/ Long Island		NYC Suburbs/ Poughkeepsie		Queens		Rest of State	
		Base Payment	MPPR Payment	Base Payment	MPPR Payment	Base Payment	MPPR Payment	Base Payment	MPPR Payment	Base Payment	MPPR Payment
0019T	Extracorp shock vv tx ms nos	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A
64550	Apply neurostimulator	\$18.28	N/A	\$18.79	N/A	\$17.04	N/A	\$18.72	N/A	\$15.51	N/A
90901	Biofeedback train any meth	\$43.05	N/A	\$44.21	N/A	\$40.11	N/A	\$44.05	N/A	\$36.54	N/A
90911	Biofeedback peri/uro/rectal	\$97.11	N/A	\$99.98	N/A	\$90.35	N/A	\$99.59	N/A	\$81.88	N/A
92507*	Speech/hearing therapy	\$88.29	\$69.89	\$89.94	\$70.90	\$82.97	\$66.05	\$89.86	\$70.97	\$77.40	\$62.52
92508*	Speech/hearing therapy	\$26.44	\$19.75	\$27.00	\$20.08	\$24.77	\$18.62	\$26.95	\$20.08	\$22.91	\$17.50
92520	Laryngeal function studies	\$86.60	N/A	\$89.19	N/A	\$80.53	N/A	\$88.81	N/A	\$72.87	N/A
92521*	Evaluation of speech fluency	\$121.98	\$96.47	\$124.68	\$98.28	\$114.44	\$90.98	\$124.53	\$98.34	\$106.10	\$85.47
92522*	Evaluate speech production	\$105.04	\$83.29	\$107.53	\$85.02	\$98.48	\$78.48	\$107.38	\$85.06	\$91.06	\$73.47
92523*	Speech sound lang comprehen	\$207.53	\$162.78	\$211.32	\$165.00	\$195.01	\$153.87	\$211.10	\$165.17	\$181.98	\$145.78
92524*	Behavral qualit analys voice	\$98.54	\$79.10	\$100.39	\$80.26	\$92.65	\$74.77	\$100.32	\$80.36	\$86.53	\$70.79
92526*	Oral function therapy	\$96.48	\$74.74	\$98.37	\$75.86	\$90.57	\$70.57	\$98.23	\$75.91	\$84.25	\$66.65
92597*	Oral speech device eval	\$80.93	\$66.09	\$82.67	\$67.31	\$76.05	\$62.40	\$82.62	\$67.38	\$70.76	\$58.75
92605	Ex for nonspeech device rx	\$105.47	N/A	\$108.02	N/A	\$99.11	N/A	\$107.98	N/A	\$92.03	N/A
92606	Non-speech device service	\$94.79	N/A	\$97.22	N/A	\$88.86	N/A	\$97.10	N/A	\$82.00	N/A
92607*	Ex for speech device rx 1hr	\$139.96	\$107.35	\$143.15	\$109.38	\$131.13	\$101.14	\$142.89	\$109.41	\$121.19	\$94.80
92608	Ex for speech device rx addl	\$59.83	N/A	\$61.13	N/A	\$55.98	N/A	\$60.98	N/A	\$51.66	N/A
92609*	Use of speech device service	\$125.30	\$92.48	\$128.09	\$94.11	\$117.26	\$87.08	\$127.79	\$94.10	\$108.18	\$81.62
92610	Evaluate swallowing function	\$96.24	N/A	\$98.46	N/A	\$90.18	N/A	\$98.29	N/A	\$83.36	N/A
92611	Motion fluoroscopy/swallow	\$97.75	N/A	\$100.24	N/A	\$91.54	N/A	\$100.07	N/A	\$84.32	N/A
92612	Endoscopy swallow tst (fees)	\$200.70	N/A	\$206.77	N/A	\$186.14	N/A	\$205.68	N/A	\$167.48	N/A
92614	Laryngoscopic sensory test	\$165.99	N/A	\$170.84	N/A	\$154.23	N/A	\$170.06	N/A	\$139.40	N/A
92616	Fees w/laryngeal sense test	\$237.28	N/A	\$244.11	N/A	\$220.56	N/A	\$243.02	N/A	\$199.60	N/A
92618	Ex for nonspeech dev rx add	\$38.30	N/A	\$39.20	N/A	\$36.01	N/A	\$39.19	N/A	\$33.49	N/A
95831	Limb muscle testing manual	\$35.86	N/A	\$37.10	N/A	\$33.25	N/A	\$36.93	N/A	\$29.79	N/A
95832	Hand muscle testing manual	\$35.61	N/A	\$36.97	N/A	\$32.99	N/A	\$36.80	N/A	\$29.40	N/A
95833	Body muscle testing manual	\$42.80	N/A	\$43.86	N/A	\$39.97	N/A	\$43.73	N/A	\$36.66	N/A
95834	Body muscle testing manual	\$58.16	N/A	\$59.84	N/A	\$54.20	N/A	\$59.63	N/A	\$49.30	N/A
95851	Range of motion measurements	\$21.29	N/A	\$21.93	N/A	\$19.77	N/A	\$21.83	N/A	\$17.84	N/A
95852	Range of motion measurements	\$18.99	N/A	\$19.63	N/A	\$17.58	N/A	\$19.52	N/A	\$15.71	N/A
95992	Canalith repositioning proc	\$47.70	N/A	\$48.64	N/A	\$44.86	N/A	\$48.62	N/A	\$41.88	N/A
96105	Assessment of aphasia	\$117.38	N/A	\$119.92	N/A	\$110.21	N/A	\$119.80	N/A	\$102.38	N/A
96110	Developmental screen	\$11.50	N/A	\$12.05	N/A	\$10.53	N/A	\$11.94	N/A	\$9.07	N/A
96111	Developmental test extend	\$142.09	N/A	\$144.61	N/A	\$134.08	N/A	\$144.72	N/A	\$126.19	N/A
96125*	Cognitive test by hc pro	\$132.22	\$100.65	\$135.36	\$102.69	\$123.78	\$94.75	\$135.09	\$102.68	\$114.13	\$88.58
97001*	Pt evaluation	\$84.10	\$65.91	\$85.77	\$66.94	\$78.97	\$62.24	\$85.66	\$66.99	\$73.48	\$58.77
97002*	Pt re-evaluation	\$47.28	\$35.57	\$48.29	\$36.17	\$44.29	\$33.52	\$48.20	\$36.18	\$40.97	\$31.50
97003*	Ot evaluation	\$96.02	\$72.19	\$98.25	\$73.57	\$89.88	\$67.96	\$98.04	\$73.57	\$82.89	\$63.61

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		Base Payment	MPPR Payment	Base Payment	MPPR Payment	Base Payment	MPPR Payment	Base Payment	MPPR Payment	Base Payment	MPPR Payment
97004*	Ot re-evaluation	\$59.82	\$41.84	\$61.28	\$42.67	\$55.83	\$39.29	\$61.08	\$42.62	\$51.12	\$36.57
97010	Hot or cold packs therapy	\$7.07	N/A	\$7.37	N/A	\$6.55	N/A	\$7.33	N/A	\$5.80	N/A
97012*	Mechanical traction therapy	\$17.99	\$14.02	\$18.38	\$14.27	\$16.88	\$13.22	\$18.35	\$14.27	\$15.65	\$12.44
97016*	Vasopneumatic device therapy	\$22.05	\$14.73	\$22.68	\$15.11	\$20.50	\$13.77	\$22.58	\$15.07	\$18.56	\$12.64
97018*	Paraffin bath therapy	\$12.93	\$7.91	\$13.43	\$8.23	\$11.93	\$7.31	\$13.34	\$8.19	\$10.54	\$6.48
97022*	Whirlpool therapy	\$27.11	\$17.07	\$27.94	\$17.55	\$25.13	\$15.91	\$27.79	\$17.49	\$22.60	\$14.48
97024*	Diathermy eg microwave	\$7.49	\$5.19	\$7.80	\$5.42	\$6.93	\$4.82	\$7.76	\$5.40	\$6.14	\$4.28
97026*	Infrared therapy	\$7.07	\$4.98	\$7.37	\$5.20	\$6.55	\$4.62	\$7.33	\$5.19	\$5.80	\$4.11
97028*	Ultraviolet therapy	\$8.66	\$6.15	\$8.98	\$6.39	\$8.04	\$5.73	\$8.94	\$6.37	\$7.20	\$5.17
97032*	Electrical stimulation	\$21.76	\$15.90	\$22.27	\$16.21	\$20.34	\$14.95	\$22.22	\$16.21	\$18.70	\$13.96
97033*	Electric current therapy	\$37.60	\$24.01	\$38.66	\$24.60	\$34.93	\$22.43	\$38.47	\$24.52	\$31.57	\$20.58
97034*	Contrast bath therapy	\$20.67	\$14.60	\$21.21	\$14.93	\$19.28	\$13.70	\$21.14	\$14.91	\$17.60	\$12.70
97035*	Ultrasound therapy	\$14.39	\$11.47	\$14.72	\$11.69	\$13.51	\$10.82	\$14.70	\$11.69	\$12.53	\$10.16
97036*	Hydrotherapy	\$38.57	\$25.19	\$39.77	\$25.92	\$35.80	\$23.49	\$39.58	\$25.84	\$32.22	\$21.39
97039	Physical therapy treatment	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A
97110*	Therapeutic exercises	\$36.61	\$27.41	\$37.48	\$27.96	\$34.25	\$25.79	\$37.40	\$27.95	\$31.54	\$24.10
97112*	Neuromuscular reeducation	\$37.65	\$27.62	\$38.42	\$28.03	\$35.26	\$26.03	\$38.33	\$28.03	\$32.62	\$24.50
97113*	Aquatic therapy/exercises	\$48.98	\$33.09	\$50.17	\$33.72	\$45.66	\$31.05	\$49.98	\$33.66	\$41.74	\$28.88
97116*	Gait training therapy	\$32.00	\$23.85	\$32.65	\$24.21	\$29.99	\$22.49	\$32.59	\$24.22	\$27.79	\$21.19
97124*	Massage therapy	\$30.34	\$22.39	\$31.14	\$22.92	\$28.33	\$21.02	\$31.06	\$22.90	\$25.93	\$19.50
97139	Physical medicine procedure	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A
97140*	Manual therapy	\$33.55	\$25.19	\$34.21	\$25.55	\$31.46	\$23.77	\$34.15	\$25.56	\$29.20	\$22.43
97150*	Group therapeutic procedures	\$19.50	\$15.53	\$19.88	\$15.76	\$18.32	\$14.67	\$19.86	\$15.78	\$17.08	\$13.87
97530*	Therapeutic activities	\$39.37	\$28.28	\$40.21	\$28.74	\$36.82	\$26.63	\$40.10	\$28.73	\$33.96	\$24.99
97532	Cognitive skills development	\$30.38	N/A	\$31.05	N/A	\$28.51	N/A	\$31.01	N/A	\$26.45	N/A
97533*	Sensory integration	\$32.68	\$24.94	\$33.29	\$25.28	\$30.67	\$23.55	\$33.24	\$25.29	\$28.54	\$22.28
97535*	Self care mgmt training	\$39.32	\$28.45	\$40.15	\$28.90	\$36.80	\$26.80	\$40.05	\$28.89	\$33.98	\$25.18
97537*	Community/work reintegration	\$33.89	\$25.73	\$34.53	\$26.09	\$31.80	\$24.30	\$34.47	\$26.10	\$29.58	\$22.98
97542*	Wheelchair mgmt training	\$34.31	\$25.94	\$34.96	\$26.30	\$32.18	\$24.49	\$34.90	\$26.31	\$29.92	\$23.15
97597	Rmvl devital tis 20 cm/ <	\$88.22	N/A	\$91.09	N/A	\$81.70	N/A	\$90.58	N/A	\$73.14	N/A
97598	Rmvl devital tis addl 20 cm <	\$29.33	N/A	\$30.41	N/A	\$27.19	N/A	\$30.27	N/A	\$24.29	N/A
97602	Wound(s) care non-selective	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A
97605	Neg press wound tx < 50 cm	\$50.44	N/A	\$52.48	N/A	\$46.82	N/A	\$52.29	N/A	\$41.83	N/A
97606	Neg press wound tx > 50 cm	\$60.28	N/A	\$62.86	N/A	\$55.85	N/A	\$62.60	N/A	\$49.58	N/A
97750*	Physical performance test	\$37.45	\$27.83	\$38.35	\$28.39	\$35.02	\$26.18	\$38.26	\$28.38	\$32.22	\$24.44
97755*	Assistive technology assess	\$40.09	\$32.35	\$40.82	\$32.81	\$37.71	\$30.59	\$40.80	\$32.85	\$35.26	\$29.00
97760*	Orthotic mgmt and training	\$43.93	\$31.39	\$45.20	\$32.22	\$40.94	\$29.40	\$45.05	\$32.17	\$37.23	\$27.08
97761*	Prosthetic training	\$37.45	\$27.83	\$38.35	\$28.39	\$35.02	\$26.18	\$38.26	\$28.38	\$32.22	\$24.44
97762*	C/o for orthotic/prosth use	\$55.21	\$32.63	\$56.90	\$33.53	\$51.10	\$30.33	\$56.56	\$33.38	\$45.76	\$27.49
97799	Physical medicine procedure	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A
G0281*	Elec stim unattend for press	\$15.77	\$11.59	\$16.19	\$11.86	\$14.73	\$10.89	\$16.15	\$11.85	\$13.48	\$10.10
G0283*	Elec stim other than wound	\$15.77	\$11.59	\$16.19	\$11.86	\$14.73	\$10.89	\$16.15	\$11.85	\$13.48	\$10.10
G0329*	Electromagntic tx for ulcers	\$11.67	\$7.28	\$12.13	\$7.58	\$10.78	\$6.74	\$12.06	\$7.55	\$9.52	\$5.97
V5299	Hearing service	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A	\$0.00	N/A

(*) HCPCS codes subject to the MPPR rule: 50% decrease of the PE RVU.