



Physical Therapy (PT) Overview

Chief Business Office Purchased Care
Department of Program Integrity (DPI)

April 2014

Objectives

- **Define Key Elements of Physical Therapy**
- **Identify Fraudulent Billing Practices**

Physical Therapy

- **The treatment of disease, injury, or disability by physical and mechanical means (such as massage, regulated exercise, water, light, heat, and electricity). The goal of physical therapy is to make daily tasks and activities easier.**



Therapy Evaluation / Re-evaluation

- **Initial evaluation for medical necessity**
- **Components of an initial evaluation**
 - Patient history
 - Prior and current level of function
 - Relevant review of systems
- **Factors which influence evaluations**

PT Code Categories

- **Two categories:**
 - **Service-based codes**
 - Physical medicine services that do not use time-based unit for billing.
 - Same CPT code applies, only bill for one single session. Examples of these services include: hot/cold packs and mechanical traction.
 - **Time-based codes**
 - Billing based on 15 minute increments for multiple units of time that are spent in direct contact with the outpatient.



8 Minute Rule

15 Minute Codes	Treatment Units
1 unit	8 minutes to 22 minutes
2 units	23 minutes to 37 minutes
3 units	38 minutes to 52 minutes
4 units	53 minutes to 67 minutes
5 units	68 minutes to 82 minutes
6 units	83 minutes to 98 minutes

- A patient receives therapeutic exercise, this session is billed based on the CPT 97110 time-code for therapeutic exercise as an outpatient. Only bill for one procedure, based on not meeting the threshold for the next unit:

(15 minutes + 5 minutes) = 20 minutes

- 25 minutes of out patient therapeutic exercise, will meet the 8-minute threshold and two procedures can be billed instead of one:

(15 minutes + 10 minutes) = 25 minutes

Physical Therapy Schemes

- **Billing for services not rendered**
- **Provider kickbacks**
- **Medically unnecessary treatment**
- **Unqualified physical therapist**



Physical Therapy Fraud

- **Physical therapist convicted of paying illegal kickbacks**
 - Paid “bonus” checks for referrals
 - Submitted improper billing codes
 - Prior record of falsifying medical records

Conclusion

- **Defined Key Elements of Physical Therapy**
- **Identified Fraudulent Billing Practices**

References

Veterans Affairs manages several health care programs that reimburse private health care providers for caring for our Veterans and their eligible family members. Unfortunately these health care programs have a different statutory and regulatory authority, which creates diverse payment methodologies. The majority of VA health care programs utilize Medicare's payment methodologies or something very similar.

Therefore, providers and facilities that utilize Medicare's billing and coding guidelines will greatly minimize claim delays or rejections as a result of the Program Integrity Tools fraud and abuse review.

The following Medicare link is an excellent source of billing and coding guidance for all providers and facilities:

[Medicare Claim Processing Guide](http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS018912.html)

<http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs-Items/CMS018912.html>