

# New Payment System

## Evaluation Codes For Physical Therapy

A Step Toward Payment Reform



## Coding Reform

*Wiring & Plumbing for Payment Reform*



## Payment Reform for Rehab Services

- 2012 AMA formed PM&R Workgroup (WG) to address changing the reporting methodology consistent with CMS and payment reform efforts
- 2013-2014 AMA PM&R WG continued it's work focusing on evaluation codes as well as intervention codes to continue to progress from reporting timed procedures to a reporting methodology that describes severity/intensity
- 2015, February accomplished revision of evaluation codes to be published for 2017



## Payment Reform for Rehab Services

### 2015

- RUC-Eval codes
  - April: surveyed evaluation codes through RUC process.
  - September: presented survey results to RUC for establishment of values to be considered by CMS for 2017 Fee schedule
- PM&R WG continued work on severity/intensity model for intervention codes.

### 2016

- Interventions on indefinite hold: our path forward will include efforts reflecting input from association members and other stakeholders.
- APTA is launching an educational campaign designed to help PTs comply with reporting the new evaluation codes



## CMS PROPOSAL for 2017

All three evaluation codes will be reimbursed at the same level.

- “...we do not believe that making different payment based on reported complexity for these services is, at current, advantageous for Medicare or Medicare beneficiaries.” (FR\* 2016 p. 347)
- “...stratified payment rates may provide, in some cases, a payment incentive to therapists to upcode...” (FR\* 2016 p.345)
- CMS cannot predict “with a high degree of certainty” the utilization of the different levels of evaluation codes to maintain budget neutrality.

\*Federal Register



## 2017 Evaluation Codes for Physical Therapy



- Evaluation

97161 Low Complexity Evaluation

97162 Moderate Complexity Evaluation

97163 High Complexity Evaluation

- Re-evaluation

97164 A single code



## Today, in 2016



➤ 97001 Physical Therapy Evaluation

➤ 97002 Physical Therapy Re-evaluation

- Published in 1998 and active CPT codes through 2016.
- This coding structure includes two “service based” codes
- Do NOT reflect any specific level of complexity or severity



## Elements of a Physical Therapy Evaluation

- **Examination** (includes history, systems review, and tests and measures)
- **Evaluation** (the thought process leading to identifying impairments, functional limitations, disabilities, and needs for prevention)
- **Diagnosis** (impact of the condition on function)
- **Prognosis** (professional judgement regarding the predicted functional outcome and the estimated duration of services required)
- **Plan of Care** (the culmination of an evaluation)



## Why Are Evaluations So Important?

- The evaluation drives the care and/or management of the care
- A thorough and complete evaluation is critical to success in achieving a positive outcome for the patient's episode of physical therapy care
- A reflection of the level of complexity of the patient is key to effective management throughout the episode



## Physical Therapy Evaluation

A Physical Therapy Evaluation should clearly reflect:

- MEDICAL NECESSITY for services to follow
- Focus on FUNCTION



## 2017 Evaluation Codes for Physical Therapy



- Evaluation\*

97161 Low Complexity Evaluation

97162 Moderate Complexity Evaluation

97163 High Complexity Evaluation

- Re-evaluation\*

97164 A single code

\* 97001 PT evaluation and 97002 PT Re-evaluation will be deleted from the code set.



## 2017 Evaluation Codes for Physical Therapy

- Stratify the patient population
- Move beyond diagnosis stratification
- Acknowledge that patients vary due to comorbidities and other personal factors
- Places value on the clinical decision making required to provide medically necessary care



## 2017 Evaluation Codes for PT Introductory Language:

- “...a patient history and an examination with development of a plan of care...which is based on the composite of the patient’s presentation.”
- “Coordination, consultation and collaboration of care with physicians...consistent with the nature of the problem(s) and the needs of the patient, family, and/or other caregivers.”



## Introductory Language: AT A MINIMUM...

Each of the following 4 components noted in the code descriptors must be documented...:

- History
- Examination
- Clinical decision making
- Development of a plan of care



## DEFINITIONS

- **Body Regions:** Head, neck, back, lower extremities, upper extremities, and trunk

- **Body Systems:**

**Musculoskeletal:** *gross symmetry, gross ROM, gross strength, height and weight*

**Neuromuscular:** *gross coordinated movement (eg. Balance, gait locomotion, transfers, and transitions) and motor function (motor control and motor learning)*

**Cardiovascular pulmonary:** *heart rate, respiratory rate, blood pressure, and edema*

**Integumentary:** *pliability (texture), presence of scar formation, skin color and skin integrity*



## A Review of ANY of the Body Systems ALSO includes:

- The assessment of the ability to make needs known
- Consciousness
- Orientation (person, place, and time)
- Expected emotional/behavioral responses
- Learning preferences (eg learning barriers, education needs)





## DEFINITIONS

- **Body Structures:** Structural or anatomical parts of body, such as organs, limbs and their components, classified according to body systems



## DEFINITIONS

**Personal Factors** - Factors that include:

- Include sex, age, coping styles, social background, education, profession, past/current experience
- Overall behavior patterns
- Other factors that influence how disability is experienced by the individual
- PERSONAL FACTORS THAT EXIST BUT DO NOT IMPACT THE PHYSICAL THERAPY PLAN OF CARE ARE NOT TO BE CONSIDERED WHEN SELECTING A LEVEL OF SERVICE.



## International Classification Functioning, Disability, and Health (ICF)

- Developed by the World Health Organization (WHO)
- Standard language and framework for the description of all aspects of health and some health-related components of well-being
- It is not an etiological framework (such as ICD-10 does)
- Comes from the perspective of the body, the individual, and society



## ICF Information Organization

1. Functioning and Disability
  - Body systems and body functions
  - Activities and participation (both individual and societal)
2. Contextual Factors
  - Environmental factors
  - Personal factors



## NEW Codes: 4 Components of Complexity and Severity

- Patient **history** (medical and functional, including relevant comorbidities and personal factors) AND
- **Examination** AND the use of standardized tests and measures AND
- **Clinical presentation** of the patient AND
- **Clinical decision making** (including the use of a standardized patient assessment instrument and/or measurable assessment of functional outcome)



## PATIENT HISTORY

*Assists in supporting level of evaluation reported:*

- Comorbidities that impact function and ability to progress through a plan of care
- Previous functional level; context of current functional abilities
- Treatment approaches in past if applicable and other factors that may impact patients ability to progress and reach goals
- Includes social history, living environment, work status, cultural preferences, medications, other clinical tests, and more



## EXAMINATION

Includes any of the following:

- Body structure and functions,
- Activity limitations (difficulty executing tasks or actions) and/or
- Participation (in life situations) restrictions



## ICF Domains of Activity and Participation

(include but are not limited to)

- Mobility
- Self-care
- Domestic life
- Interpersonal interactions and relationships
- Major life areas
- Community, social and civic life



## CLINICAL PRESENTATION OF THE PATIENT

- Stable and uncomplicated OR
- Evolving clinical presentation with changing clinical characteristics OR
- Evolving clinical presentation with unstable and unpredictable characteristics



## CLINICAL JUDGEMENT AND DECISION MAKING

- Based on the composite of the patient's presentation ("the dynamic interaction between the health condition and the contextual factors"- ICF)
- This clinical judgement occurs at each encounter or session informed as much as possible by current best evidence.



## “Typical Time” is Used as GUIDANCE Only

Low Complexity	Moderate Complexity	High Complexity	Reevaluation
Typically, 20 minutes are spent face-to-face with the patient and/or family.	Typically, 30 minutes are spent face-to-face with the patient and/or family.	Typically, 45 minutes are spent face-to-face with the patient and/or family.	Typically, 20 minutes are spent face-to-face with the patient and/or family.



## 97161 PT Evaluation- Low Complexity

History	Examination	Presentation	Decision-Making
<b>No personal factors and/or comorbidities</b> that impact the plan of care	Of body system(s) using standardized tests and measures addressing <b>1-2 elements</b> from any of the following: body structures and functions, activity limitations, and/or participation restrictions	With <b>stable and/or uncomplicated characteristics</b>	<b>Low complexity</b> using standardized patient assessment instrument and/or measurable assessment of functional outcome



## 97162 PT Evaluation- Moderate Complexity

History	Examination	Presentation	Decision-Making
<b>1-2 personal factors and/or comorbidities</b> that impact the plan of care	Of body system(s) using standardized tests and measures addressing <b>3 or more elements</b> from any of the following: body structures and functions, activity limitations, and/or participation restrictions	<b>Evolving</b> clinical presentation with <b>changing characteristics</b>	<b>Moderate complexity</b> using standardized patient assessment instrument and/or measurable assessment of functional outcome



## 97163 PT Evaluation- High Complexity

History	Examination	Presentation	Decision-Making
<b>3 or 4 personal factors and/or comorbidities</b> that impact the plan of care	Of body system(s) using standardized tests and measures addressing <b>4 or more elements</b> from any of the following: body structures and functions, activity limitations, and/or participation restrictions	<b>Unstable and unpredictable characteristics</b>	<b>High complexity</b> using standardized patient assessment instrument and/or measurable assessment of functional outcome



## 97164 Physical Therapy Re-evaluation

- A single level code
- Applies when there is an established and ongoing Plan of Care
- Requires an examination including a review of history AND the use of standardized tests and measures
- Describes a REVISED plan of care using a standardized patient assessment instrument and/or measurable assessment of functional outcome



## Building Blocks for New and Emerging Payment Models



- Levels of evaluation reflect the complexity of the patient that determines the management path
- Assessment tools at the front end and outcomes reported at the back end begin to stratify how patients are successfully managed
- New codes will serve to differentiate the unnecessary variation in care from medically necessary services for the individual patient, and
- Serve as the building blocks for future payment methodologies





## Patient Scenarios



### Patient Case # 1:

41 y/o female with a 3 yr. history of intermittent LBP, increasing in frequency to daily over the past 2 mo. BMI 33, no other co-morbidities; Fluctuating pain from 3-9/10; now 7/10. Oswestry 35; Work as a day care provider is interrupted at least 1x/wk. due to LBP; Unable to stand more than 5 min; Sleep varies but is impacted 3/5 nights.

History	Examination	Presentation	Decision-Making	Eval. Time

Evaluation Code Selection: 97161 ☐ 97162 ☐ 97163 ☐



**Patient Case # 1:**

41 y/o female with a 3 yr. history of intermittent LBP, increasing in frequency to daily over the past 2 mo. BMI 33, no other co-morbidities; Fluctuating pain from 3-9/10; now 7/10. Oswestry 35; Work as a day care provider is interrupted at least 1x/wk. due to LBP; Unable to stand more than 5 min; Sleep varies but is impacted 3/5 nights.

History	Examination	Presentation	Decision-Making	Eval. Time
BMI Frequency/Chronicity	Work Standing Sleep	Evolving/Changing Pain	Moderate ✓Oswestry 35	

Evaluation Code Selection: 97161 ☐ 97162 ☒ 97163 ☐

**Patient Case # 2:**

14 y/o male 4 days post knee sprain playing basketball; no prior injuries; no co-morbidities; Pain is 4/10 (decreased from 8/10 at onset); LEFS score 45; moderate swelling of the knee; limited ROM; moderately impaired balance; no deficits with the trunk, hip or ankle.

History	Examination	Presentation	Decision-Making	Eval. Time

Evaluation Code Selection: 97161 ☐ 97162 ☐ 97163 ☐

**Patient Case # 2:**

14 y/o male 4 days post knee sprain playing basketball; no prior injuries; no co-morbidities; Pain is 4/10 (decreased from 8/10 at onset); LEFS score 45; moderate swelling of the knee; limited ROM; moderately impaired balance; no deficits with the trunk, hip or ankle.

History	Examination	Presentation	Decision-Making	Eval. Time
No relevant co-morbidities or personal factors	1. LE (Knee, hip and ankle) 2. Trunk	Stable and predictable	Low Complexity ✓ LEFS 45	

Evaluation Code Selection: **97161** ☐ 97162 ☐ 97163 ☐

**Patient Case # 3:**

65 y/o male with 6 month history of pain and stiffness of his right shoulder. Using NSAIDS and is self-limiting activity. History of poorly controlled diabetes; reports dropping objects often, difficulty dressing and other self care activities, and inability to assist in household activities all due to the pain. Shoulder ROM limited in a capsular pattern. Low UEFS score.

History	Examination	Presentation	Decision-Making	Eval. Time

Evaluation Code Selection: 97161 ☐ 97162 ☐ 97163 ☐



**Patient Case # 3:**

65 y/o male with 6 month history of pain and stiffness of his right shoulder. Using NSAIDS and is self-limiting activity. History of poorly controlled diabetes; reports dropping objects often, difficulty dressing and other self care activities, and inability to assist in household activities all due to the pain. Shoulder ROM limited in a capsular pattern. Low UEFS score.

History	Examination	Presentation	Decision-Making	Eval. Time
Acuity/chronicity Diabetes status	Carrying/handling Self care Household tasks Upper Extremity	Unstable and unpredictable blood sugars	Moderate complexity ✓UEFS	

Evaluation Code Selection: 97161 ☐ **97162** ☐ 97163 ☐



## Where can you learn more about these new codes?

- Online self-paced course with examples of scenarios from various patient populations available in the Learning Center at [www.apta.org](http://www.apta.org)
- Look for APTA's pocket guide (coming soon)
- Published articles in PTinMotion magazine
- The following references....



## REFERENCES

<http://www.apta.org/Payment/Medicare/CodingBilling/FeeSchedule/Summaries/2016/7/15/>

<http://policy.apta.org/NationalIssues/APS/>

<http://www.apta.org/PTinMotion/News/2016/9/7/FeeSchedule/>

[http://www.apta.org/uploadedFiles/APTAorg/Payment/Medicare/Coding\\_and\\_Billing/Fee\\_Schedule/Comments/APTAComments\\_FeeSchedule2017ProposedRule.pdf](http://www.apta.org/uploadedFiles/APTAorg/Payment/Medicare/Coding_and_Billing/Fee_Schedule/Comments/APTAComments_FeeSchedule2017ProposedRule.pdf)



## REFERENCES

- APTA Guide to Physical Therapist Practice 3.0; <http://guidetoptpractice.apta.org>
- APTA Guideline: Physical Therapy Documentation of Patient/Client Management; BOD G03-05-16-41
- 2017 CPT® Manual, Professional Edition
- International Classification of Functioning, Disability and Health (ICF), WHO 2001  
<https://www.amazon.com/International-Classification-Functioning-Disability-Health/dp/9241545445>



# Thank you!



Kathleen Picard PT  
[kathleenpicard28@gmail.com](mailto:kathleenpicard28@gmail.com)  
Picard Consulting  
2249 River Road South  
Lakeland, MN 55043  
612-868-7473