



NARA
The National Association of
Rehabilitation Providers and Agencies

**STATEMENT FOR THE RECORD
of the
NATIONAL ASSOCIATION OF REHABILITATION PROVIDERS AND
AGENCIES**

**Committee on Energy and Commerce
Subcommittee on Health
Hearing on “Examining Bipartisan Legislation to Improve the Medicare Program”
July 20, 2017**

The National Association of Rehabilitation Providers and Agencies (“NARA”) commends and thanks the Subcommittee on Health for conducting this hearing on bipartisan legislation to improve the Medicare program. In particular, NARA urges Congress to enact legislation repealing the outpatient therapy caps on physical therapy, outpatient therapy, and speech-language pathology services established 20 years ago in the Balanced Budget Act of 1997. Since they were implemented, Congress has had to act sixteen times to prevent them from harming Medicare beneficiaries who require rehabilitative services, particularly those who are most in need of such care—e.g. individuals with chronic diseases or serious injuries. NARA respectfully submits that the time has come to repeal the therapy caps and replace them with a viable, efficient, and fair medical review policy which ensures that Medicare beneficiaries who require rehabilitation services are able to secure them.

NARA is a professional association which represents Medicare-certified rehabilitation agencies that furnish physical therapy, occupational therapy, and speech-language pathology services to hundreds of thousands of patients across the nation. Rehabilitation providers who are members of NARA retain the services of over 45,000 health care professionals who provide skilled therapy services in multiple settings including inpatient, outpatient, skilled nursing, assisted living, education systems, occupational health settings, and, of course, in home health agencies.

The outpatient therapy caps impose an annual limit in 2017 of \$1,980 per beneficiary for occupational therapy services and a combined cap of \$1,980 for both speech therapy and physical therapy services in all Part B practice settings including rehabilitation agencies, skilled nursing facilities, long term care facilities, and hospital outpatient departments (critical access hospitals excluded). The therapy caps are an arbitrary approach to controlling the cost of rehabilitative care. They bear absolutely no relation to the therapy needs of individual patients nor do they in any way take into account the value and quality of the services provided to Medicare beneficiaries. Furthermore, the therapy caps frequently reduce patient access to rehabilitation services by limiting their choice of providers, rationing their care to avoid

exhausting their benefits, or by forcing them to bear 100% of the cost of care once they exceed the applicable cap.

Incontrovertible data demonstrate that beneficiaries who fail to receive medically necessary rehabilitation care are more likely to require higher-cost interventions to remain functional. It is also beyond quibble that patients who have chronic or complex health challenges (e.g. a stroke, hip fracture, or multiple disabilities) are most likely to be injured by the therapy caps.

Recognizing the draconian impact which the therapy caps may have on Medicare beneficiaries, Congress has passed legislation 16 times in an effort to protect patients—first through a series of moratoria on the caps and then through numerous iterations of an exceptions process. While the exception processes have afforded a modicum of relief from the full brunt of the therapy caps, they have certainly not proven to be an efficient and effective mechanism. For example, three years ago Congress authorized the Centers for Medicare and Medicaid Services to establish a manual medical review process for patients who exceed the therapy cap through the exceptions process. This process, however, has been inconsistently applied and, for the most part, has materially hindered the delivery of needed services. Delays in authorization and inconstant criteria by intermediaries to obtain authorization have been widespread.

Statutory authority for the current exception process expires on December 31, 2017 and unless Congress takes action, the full force of the arbitrary therapy caps will impact Medicare beneficiaries in 2018. Now is the perfect time for Congress to bring an end to twenty years of moratoria and exceptions processes by repealing the outpatient therapy caps. Bipartisan legislation to do precisely that has been introduced in both the House and Senate. The Medicare Access to Rehabilitation Services Act, H.R. 807, has 177 cosponsors and its companion measure, S. 253, has 26 cosponsors. This straightforward legislation would repeal the therapy caps for outpatient physical therapy, occupational therapy, and speech language pathology services. NARA, in the strongest possible terms, urges passage of this critical legislation.

NARA supports the written testimony of Justin Moore, PT, DPT, the Chief Executive Officer of the American Physical Therapy Association which he submitted on behalf of APTA, the American Occupational Therapy Association, and the American Speech-Language-Hearing Association. NARA also looks forward to working with this Congress to craft a permanent solution to the two decade-old challenges presented by the therapy caps.