CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 3654	**Date: November 10, 2016**
	Change Request 9782

SUBJECT: 2017 Annual Update to the Therapy Code List

I. SUMMARY OF CHANGES: This Change Request updates the list of codes that sometimes or always describe therapy services. The additions, changes, and deletions to the therapy code list reflect those made in the CY 2017 Healthcare Common Procedure Coding System and Current Procedural Terminology, Fourth Edition (HCPCS/CPT-4). The attached Recurring Update Notification applies to Chapter 5, Section 10.6

EFFECTIVE DATE: January 1, 2017
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: January 3, 2017

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3654	Date: November 10, 2016	Change Request: 9782

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I. GENERAL INFORMATION

A. Background: Section 1834(k)(5) of the Act requires that all claims for outpatient rehabilitation therapy services and all comprehensive outpatient rehabilitation facility services be reported using a uniform coding system. The CY 2017 Healthcare Common Procedure Coding System and Current Procedural Terminology, Fourth Edition (HCPCS/CPT-4) is the coding system used for the reporting of these services.

This change request (CR) updates the list of codes that sometimes or always describe therapy services. The additions, changes, and deletions to the therapy code list reflect those made in the CY 2017 HCPCS/CPT-4. The therapy code listing can be found on the Centers for Medicare & Medicaid Services (CMS) Web site at http://www.cms.gov/Medicare/Billing/TherapyServices/index.html.

B. Policy: The policies implemented in this notification were discussed in CY 2017 Medicare Physician Fee Schedule (MPFS) rulemaking. This CR updates the therapy code list and associated policies for CY 2017, as follows:

For CY 2017, the Current Procedural Terminology (CPT) Editorial Panel created eight new codes (97161-97168) to replace the 4-code set (97001-97004) for physical therapy (PT) and occupational therapy (OT) evaluative procedures. The new CPT code descriptors for PT and OT evaluative procedures include specific components that are required for reporting as well as the corresponding typical face-to-face times for each service. Refer to Tables 1 and 2 in the Attachment for a complete listing of the new CPT codes for PT and OT evaluative procedures and their long descriptors.

PT and OT evaluation codes. The CPT Editorial Panel created three new codes to replace each existing PT and OT evaluation code, 97001 and 97003, respectively. These new evaluation codes are based on patient complexity and the level of clinical decision-making – low, moderate and high complexity: for PT, codes 97161, 97162 and 97163; and for OT, codes 97165, 97166 and 97167.

PT and OT re-evaluation codes. One new PT code, 97164, and one new OT code, 97168, were created to replace the existing codes – 97002 and 97004, respectively. The re-evaluation codes are reported for an established patient's when a revised plan of care is indicated.

Just as their predecessor codes were, the new codes are "always therapy" and must be reported with the appropriate therapy modifier, GP or GO, to indicate that the services are furnished under a PT or OT plan of care, respectively.

The therapy code list is updated with eight new "always therapy" codes, using their CPT short descriptors, as follows:

The new codes for PT Evaluative procedures (97161-97164):

- The three new PT evaluation codes 97161, 97162, and 97163 replace code 97001
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- Add: 97161 - PT EVAL LOW COMPLEX 20 MIN

- Add: 97162 - PT EVAL MOD COMPLEX 30 MIN
- Add: 97163 - PT EVAL HIGH COMPLEX 45 MIN
- Delete: 97001 – PT EVALUATION
- The new PT re-evaluation code 97164 replaces code 97002
- Add: 97164- PT RE-EVAL EST PLAN CARE
- Delete: 97002 – PT RE-EVALUATION

The new codes for OT Evaluative procedures (97165-97168):

- The three new OT evaluation codes 97165, 97166, and 97167 replace code 97003
- Add: 97165 - OT EVAL LOW COMPLEX 30 MIN
- Add: 97166 - OT EVAL MOD COMPLEX 45 MIN
- Add: 97167 - OT EVAL HIGH COMPLEX 60 MIN
- Delete: 97003 – OT EVALUATION
- The new OT re-evaluation code 97168 replaces 97004
- Add: 97168 - OT RE-EVAL EST PLAN CARE
- Delete: 97004 – OT RE-EVALUATION

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9782.1	Medicare contractors shall change any policies or local edits that are not consistent with the policies or list of codes provided in this CR.	X	X	X						
9782.2	Medicare contractors shall be aware of the following therapy code changes: The following four CPT codes, 97161-97164, representing Physical Therapy evaluative procedures have been added as “always therapy” and CPT codes 97001 and 97002 have been deleted on the new 2017 therapy code list located on the CMS website at	X	X	X		X				IOCE

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	http://**www.cms.gov**/Medicare/Billing/TherapyServices/index.html **Physical therapy evaluation codes 97161, 97162, and 97163 are added and 97001 is deleted. Physical therapy reevaluation code 97164 is added and 97002 is deleted.** The following four CPT codes, 97165-97168, representing Occupational Therapy evaluative procedures have been added as “always therapy” and CPT codes 97003 and 97004 have been deleted on the new 2017 therapy code list located on the CMS website: **Occupational therapy evaluation codes 97165, 97166, and 97167 are added and 97003 is deleted. Occupational therapy reevaluation code 97168 is added and 97004 is deleted.**									

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
9782.3	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X	X	X		

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Teira Canty, teira.canty@cms.hhs.gov, Wil Gehne, wilfried.gehne@cms.hhs.gov (Institutional Claims), Pam West, pamela.west@cms.hhs.gov (Policy), Brian Reitz, brian.reitz@cms.hhs.gov (Professional Claims)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
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ATTACHMENTS: 1

Table 1. For CY 2017 - New CPT Codes and Long Descriptors for PT Evaluative Procedures
97161 - Physical therapy evaluation: low complexity, requiring these components: ▪ *A history with no personal factors and/or comorbidities that impact the plan of care;* ▪ *An examination of body system(s) using standardized tests and measures addressing 1-2 elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions;* ▪ *A clinical presentation with stable and/or uncomplicated characteristics; and* ▪ *Clinical decision making of low complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome.* Typically, 20 minutes are spent face-to-face with the patient and/or family.
97162 - Physical therapy evaluation: moderate complexity, requiring these components: ▪ *A history of present problem with 1-2 personal factors and/or comorbidities that impact the plan of care;* ▪ *An examination of body systems using standardized tests and measures in addressing a total of 3 or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions;* ▪ *An evolving clinical presentation with changing characteristics; and* ▪ *Clinical decision making of moderate complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome.* Typically, 30 minutes are spent face-to-face with the patient and/or family.
97163 - Physical therapy evaluation: high complexity, requiring these components: ▪ *A history of present problem with 3 or more personal factors and/or comorbidities that impact the plan of care;* ▪ *An examination of body systems using standardized tests and measures addressing a total of 4 or more elements from any of the following: body structures and functions, activity limitations, and/or participation restrictions;* ▪ *A clinical presentation with unstable and unpredictable characteristics; and* ▪ *Clinical decision making of high complexity using standardized patient assessment instrument and/or measurable assessment of functional outcome.* Typically, 45 minutes are spent face-to-face with the patient and/or family.
97164 - Re-evaluation of physical therapy established plan of care, requiring these components: ▪ *An examination including a review of history and use of standardized tests and measures is required; and* ▪ *Revised plan of care using a standardized patient assessment instrument and/or measurable assessment of functional outcome.* Typically, 20 minutes are spent face-to-face with the patient and/or family.

Table 2. For CY 2017: New CPT Codes and Long Descriptors for OT Evaluative Procedures
97165 - Occupational therapy evaluation, low complexity, requiring these components: ▪ *An occupational profile and medical and therapy history, which includes a brief history including review of medical and/or therapy records relating to the presenting problem;* ▪ *An assessment(s) that identifies 1-3 performance deficits (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions; and* ▪ *Clinical decision making of low complexity, which includes an analysis of the occupational profile, analysis of data from problem-focused assessment(s), and consideration of a limited number of treatment options. Patient presents with no comorbidities that affect occupational performance. Modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is not necessary to enable completion of evaluation component.*

Typically, 30 minutes are spent face-to-face with the patient and/or family.
97166 - Occupational therapy evaluation, moderate complexity, requiring these components: ▪ *An occupational profile and medical and therapy history, which includes an expanded review of medical and/or therapy records and additional review of physical, cognitive, or psychosocial history related to current functional performance;* ▪ *An assessment(s) that identifies 3-5 performance deficits (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions; and* ▪ *Clinical decision making of moderate analytic complexity, which includes an analysis of the occupational profile, analysis of data from detailed assessment(s), and consideration of several treatment options. Patient may present with comorbidities that affect occupational performance. Minimal to moderate modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is necessary to enable patient to complete evaluation component.* Typically, 45 minutes are spent face-to-face with the patient and/or family.
97167 - Occupational therapy evaluation, high complexity, requiring these components: ▪ *An occupational profile and medical and therapy history, which includes review of medical and/or therapy records and extensive additional review of physical, cognitive, or psychosocial history related to current functional performance;* ▪ *An assessment(s) that identifies 5 or more performance deficits (i.e., relating to physical, cognitive, or psychosocial skills) that result in activity limitations and/or participation restrictions; and* ▪ *Clinical decision making of high analytic complexity, which includes an analysis of the patient profile, analysis of data from comprehensive assessment(s), and consideration of multiple treatment options. Patient presents with comorbidities that affect occupational performance. Significant modification of tasks or assistance (e.g., physical or verbal) with assessment(s) is necessary to enable patient to complete evaluation component.* Typically, 60 minutes are spent face-to-face with the patient and/or family.
97168 - Re-evaluation of occupational therapy established plan of care, requiring these components: ▪ *An assessment of changes in patient functional or medical status with revised plan of care;* ▪ *An update to the initial occupational profile to reflect changes in condition or environment that affect future interventions and/or goals; and* ▪ *A revised plan of care. A formal reevaluation is performed when there is a documented change in functional status or a significant change to the plan of care is required.* Typically, 30 minutes are spent face-to-face with the patient and/or family.