

Reimbursement Policy for PT/OT Initial Evaluations

Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In a conflict, federal and state guidelines, as applicable, and the member's benefit plan document supersede the information in this policy. Also, to the extent of conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

Policy Overview

In the context of physical therapy (PT) and occupational therapy (OT), a therapy evaluation service refers to the process of assessing and diagnosing a patient's condition to determine the most appropriate therapeutic interventions and treatment plan. These evaluations are typically conducted by licensed physical therapists and occupational therapists.

1. **Physical Therapy (PT) Evaluation:** This involves a comprehensive assessment of a patient's physical function, mobility, strength, range of motion, pain level, and any specific physical impairments. The PT evaluates the patient's condition to identify any musculoskeletal, neurological, or other issues. The goal is to understand the patient's limitations and design a personalized treatment plan to improve their physical function and overall well-being.
2. **Occupational Therapy (OT) Evaluation:** OT evaluations focus on a patient's ability to perform activities of daily living (ADLs) and functional tasks. Occupational therapists assess a patient's fine motor skills, cognitive abilities, sensory processing, and environmental factors that may affect their ability to participate in daily life activities. The OT evaluation aims to identify any barriers or challenges a person may face in their daily routines and develop interventions to enhance their independence and quality of life.

Both PT and OT evaluations are essential steps in the rehabilitation process. They help therapists gather the necessary information to create individualized treatment plans tailored to the patient's unique needs and goals. These evaluations may include various assessments, tests, and observations to provide a comprehensive understanding of the patient's condition.

Reimbursement Guidelines

Billing for PT/OT initial evaluations" refers to the process of charging for these assessment services as part of the healthcare billing and reimbursement process. Proper coding and billing procedures are crucial to ensure that healthcare providers are compensated accurately for their services.

When billing for PT/OT initial evaluations, it is essential to use the appropriate billing codes as defined by CMS.

For initial evaluations:

1. Physical Therapists (PTs) should use codes 97161-97163.
2. Occupational Therapists (OTs) should use codes 97165-97167.



Please keep the following points in mind when billing for an evaluation:

1. Do not submit charges for an initial therapy evaluation for each therapy discipline on multiple dates of service. If the evaluation spans multiple days, bill it as a single unit for the entire evaluation service. Typically, this billing should occur on the day the evaluation is concluded.
2. The additional minutes required to finalize the evaluation during subsequent sessions as part of the therapy are not considered 'treatment time.'

Not adhering to the correct billing guidelines could lead to a denial of your claim or a claim payment recovery by Molina Healthcare.

Supplemental Information

Definitions

Term	Definition
CMS	Center for Medicare and Medicaid
OT	Occupational Therapy
PT	Physical Therapy

State Exceptions

State	Exception
CA MediCal	CA MediCal is considered excluded as therapy evaluation codes are included in the non-benefit listing.
NY Medicaid	NY Medicaid is considered excluded as evaluations are not on the fee schedule
TX Medicaid	TX Medicaid states procedure codes for PT and OT evaluations are payable once every three years to the same rendering provider.

Documentation History

Type	Date	Action
Published		
Revised Date		

References

This policy was developed using.

- CMS
- State Medicaid Regulatory Guidance
- State Contracts

Agency:	Document name/Description:	Reference Links:
CMS	LCD A56566	Billing and Coding: Outpatient Physical and Occupational Therapy Services
	LCD A53309	Article - Billing and Coding: Therapy Evaluation, Re-Evaluation and Formal Testing
Molina	PT Therapy Schedule	2022-Physical_Therapy_Services_Fee_Schedule.pdf
Molina	Occupational Fee Schedule	2017 Occupational Therapy Fee Schedule.pdf



AZ Medicaid	Medical Policy Manual, Section 310-X	310X.pdf
CA Medi-Cal	TAR and Non-Benefit Codes	TAR and Non-Benefit List: Codes 90000 thru 99999
FL Medicaid	Physical Therapy Fee Schedule Occupational Fee Schedule	2023 Physical Therapy Services Fee Schedule 2023 Occupational Therapy Services Fee Schedule
ID Medicaid	Provider Handbook, Therapy Services	Therapy Service
IL Medicaid	Therapy Services Handbook	Therapy Services Fee Schedule
KY Medicaid	Therapy Services Fee Schedule	Fee Schedules - Cabinet for Health and Family Services
MA Medicaid	Therapist Handbook, Section 432.416	Therapist Handbook
MI Medicaid	Medicaid Provider Manual, Chapter 7.29	Medicaid Provider Manual
MS Medicaid	Administrative Code, Part 213, Chapters 1 and 2	Administrative Code
NV Medicaid	Therapy Billing Guide	NV Billing Guidelines PT34
OH Medicaid	Therapy Fee Schedule	App-DD.pdf
SC Medicaid	Therapy Fee Schedule	Fee Schedules
TX Medicaid	Therapy Services Handbook, Section 5.5.5	2 16 PT OT ST Srvs
UT Medicaid	Therapy Services, Section 2	Utah Medicaid Official Publications - Medicaid: Utah Department of Health and Human Services
VA Medicaid	Rehabilitation Manual	Chapter-4 Covered Services and Limitations Rehabilitation
WA Medicaid	Outpatient Rehabilitation Billing Guide, Pages 18 and 22	Outpatient Rehabilitation Billing Guide
WI Medicaid	Therapies Policy, Topic 2770, Page 38	Therapy070116