



## **Independent Therapist Provider Specific Policy Manual**

### **Revision Table**

<b>Revision Date</b>	<b>Sections Revised</b>	<b>Description</b>
5/1/04	New Manual	Prior to 5/1/04, DMAP did not enroll or reimburse Independent Therapists for services.

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## Independent Therapist Provider Specific Policy Manual

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## Independent Therapist Provider Specific Policy Manual

**DISCLAIMER: Health care services are provided to the majority of Medicaid clients through a Managed Care Organization (MCO). Services provided by therapists are included in the MCO benefits package. All Medicaid clients who are enrolled with an MCO must receive therapy services through the MCO. The MCO may require prior authorization for services. Providers must follow the guidelines for prior authorization as determined by the client's MCO.**

**This manual reflects the policies as they relate to Medicaid clients who are exempt from managed care coverage. A list of clients exempt from managed care coverage is found in the Managed Care Section of the General Policy Manual.**

### 1.0 General Information

#### 1.1 Applicability

- 1.1.1 This manual contains policies and procedures to be utilized by therapists who shall include the following provider types:
- Physical Therapist
  - Occupational Therapist
  - Speech/language Pathologist
- 1.1.2 All rules and regulations in the General Policy and referenced in the provider contract are applicable to these providers.
- 1.1.3 All therapy services must be medically necessary and ordered by a physician or other licensed practitioner of the healing arts within the scope of his or her practice under State law.
- 1.1.4 Group practices may enroll in the Delaware Medical Assistance Program (DMAP) and use their provider identification number to bill. However, individual therapists who are members of the group must also have individual contracts and individual DMAP provider numbers. The therapist's number must be used to identify the provider performing the service on the claim form submitted by the enrolled group.
- 1.1.5 Therapists who bill the DMAP for services provided to eligible Medicaid clients are required to verify that they actually rendered the service which is being billed. The following are the documentation requirements to verify the identity of the performing provider:
- 1.1.5.1 A therapist in a solo practice is not required to sign or initial medical records. However, a therapist who is a substitute or who is covering for a therapist in a solo practice is required to initial the medical record of the Medicaid client for whom services have been provided.

- 1.1.5.2 A performing therapist in a group practice is required to initial the entry in the client's medical record at the time of service. Any system that a particular office may have in place that identifies the performing provider for each service will be acceptable.
- 1.1.5.3 Therapists enrolled with the DMAP must countersign the services performed by the associate/assistant they oversee or supervise.

## **2.0 Physical Therapy Services**

### **2.1 Definition of Physical Therapy**

- 2.1.1 Physical therapy (PT) restores functions, improves mobility, relieves pain, and prevents or limits permanent physical disabilities of patient suffering from injuries or disease.
- 2.1.2 PT often includes exercise for patients who have been immobilized and lack flexibility, strength, or endurance. Patients are encouraged to use their own muscles to further increase flexibility and range of motion before finally advancing to other exercises improving strength, balance, coordination, and endurance.
- 2.1.3 PT may include the use of electrical stimulation, hot packs or cold compresses, and ultrasounds to relieve pain and reduce swelling. Traction or deep-tissue massage may be used to relieve pain.
- 2.1.4 Physical therapists teach patients to use assistive and adaptive devices such as crutches, prostheses, and wheelchairs. They may also show patients exercises to do at home to expedite their recovery.

### **2.2 Coverage Requirements**

- 2.2.1 The patient must be under the care of a physician. There must be evidence in the clinical record maintained by the therapist that the patient has been seen by the physician at least every 30 days.
- 2.2.2 The therapy must be furnished under a written plan of treatment established by the physician or therapist caring for the patient (i.e., written either by the physician who makes the plan available to the therapist or by the therapist). The plan must be established before treatment is started. The plan must be signed by the physician or therapist and incorporated into the therapist's permanent record for the patient.
- 2.2.2.1 The plan must include:
- Diagnosis
  - Specific statements of long and short-term goals
  - A reasonable estimate of when the goals will be reached
  - The specific modalities/procedures to be used in treatment
  - The frequency of treatment
- 2.2.2.2 All changes made to the plan of treatment must be made in writing and signed by the physician or therapist. Oral changes given by the attending physician must be recorded in the patient's record and signed by the

therapist receiving the orders. The physician may change the plan of treatment established by the therapist, but the therapist may not alter a plan of treatment established by a physician.

- 2.2.2.3 The plan must be reviewed by the physician, in consultation with the therapist at such intervals as the severity of the patient's condition requires, but at least every 30 days. Each review of the plan should contain the initials of the physician and the date of review.
- 2.2.3 The physical therapy must be reasonable and necessary to the treatment of the individual's illness or injury. To be considered reasonable and necessary the following conditions must be met:
  - 2.2.3.1 The services must be considered under accepted standards of medical practice to be specific and effective treatment for the individual's condition.
  - 2.2.3.2 The physical therapy is performed to restore the individual's level of function that has been lost or reduced by illness or injury.
  - 2.2.3.3 The physical therapy services must be a level of complexity and sophistication or the condition of the patient must be such that services required can be safely and effectively performed only by a qualified physical therapist or under his or her supervision. Services which do not require the performance or supervision of a physical therapist are not considered reasonable or necessary.
- 2.2.4 The following are the most common physical therapy modalities and procedures used in the treatment of patients and are covered services if certain conditions are met:
  - 2.2.4.1 Hot packs, Hydrocollator, Infra-Red Treatments, Paraffin Baths and Whirlpool Baths - These types of therapy will be covered in cases when the skills, knowledge and judgment of a physical therapist is required or where the patient's condition is complicated by circulatory deficiency, areas of desensitization, open wounds, or other complications.
  - 2.2.4.2 Gait Training - Gait evaluation and training requires the skills of a qualified physical therapist. The service is furnished to patients whose ability to walk has been impaired by neurological, muscular, or a skeletal abnormality. Gait training is provided with the expectation that it will significantly improve the patient's ability to walk.
  - 2.2.4.3 Ultrasound, Shortwave, and Microwave Diathermy Treatments - Modalities must be performed by or under the supervision of a qualified physical therapist.
  - 2.2.4.4 Range of Motion Tests - Range of motion tests must be performed by a qualified physical therapist.

2.2.4.5 Therapeutic Exercises - Therapeutic exercises must be performed by or under the supervision of a qualified physical therapist. The exercises must be part of the active treatment of a specific disease or injury which has resulted in a loss or restriction of mobility.

## **2.3 Services Not Covered**

2.3.1 Physical therapy services that are not covered include, but are not limited, to:

2.3.1.1 Services related to the general good and welfare of the individual, e.g., general exercises to promote overall fitness and flexibility and activities to provide diversion or general motivation, do not constitute physical therapy

2.3.1.2 Physical therapy services that do not require the skills or supervision of a qualified physical therapist are not considered reasonable and necessary and therefore, will not be covered.

## **2.4 Limitations**

2.4.1 The amount, frequency, and duration of the PT services must be reasonable and necessary. Refer to Coverage Requirements section for reasonable and necessary conditions that must be met.

2.4.2 DMAP does not reimburse individual therapists directly for PT services provided to nursing home residents. The nursing facility is responsible for providing PT service to residents either directly or through contractual arrangement.

2.4.3 Independent physical therapy services are limited to services provided in the therapist's office or client's home. The patients treated are the therapist's own patients and the therapist collects a fee for the services rendered.

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## **3.0 Occupational Therapy Services**

### **3.1 Definition of Occupational Therapy**

- 3.1.1 Occupational therapy (OT) involves treatment of the physically disabled by means of constructive activities designed to promote the restoration of an individual's ability to perform required daily living tasks and those required by the person's particular occupational role.
- 3.1.2 OT helps individuals develop, recover, or maintain daily living and work skills as well as improve basic motor functions and reasoning abilities and helps to compensate for permanent loss of function.
- 3.1.3 Occupational therapists work with individuals who have conditions that are mentally, physically, developmentally, or emotionally disabling to improve their ability to perform tasks in their daily living and working environments.
- 3.1.3.1 Occupational therapists assist individuals in performing activities of all types, ranging from using a computer, to caring for daily needs such as dressing, cooking, and eating. Physical exercises may be used to increase strength and dexterity, while paper and pencil exercises may be chosen to improve visual acuity and the ability to recognize or comprehend pattern. An individual with short-term memory loss, for instance, might be encouraged to make lists to aid recall. A person with coordination problems might be assigned exercises to improve hand-eye coordination.
- 3.1.3.2 Occupational therapists instruct individuals with permanent functional disabilities, such as spinal cord injuries, cerebral palsy, or muscular dystrophy, in the use of adaptive equipment such as wheelchairs, splints, and aids for eating and dressing. An occupational therapist may make special equipment needed at home or at work. They also develop computer-aided adaptive equipment and teach individuals with severe limitation how to use it. This equipment enables the individual to communicate better and to control other aspects of their environment.
- 3.1.3.3 Occupational therapists in mental health settings treat individuals who are mentally ill, mentally retarded, or emotionally disturbed. To treat these problems, therapists choose activities that help people learn to cope with daily life. Activities include time management skills, budgeting, shopping, homemaking, and use of public transportation. They may also work with individuals who are dealing with alcoholism, drug abuse, depression, eating disorders, or stress related disorders.

## 3.2 Coverage Requirements

- 3.2.1 The patient must be under the care of a physician. There must be evidence in the clinical record maintained by the therapist that the patient has seen the physician at least every 30 days.
- 3.2.2 The service must be appropriate for the treatment of the individual's illness or injury.
- 3.2.3 The services provided must be restorative or for the purpose of designing and teaching a program for the individual to conduct at home.
- 3.2.4 The therapy must be furnished under a written plan of treatment established by the physician caring for the patient. The plan must be established (written either by the physician who makes the plan available to the therapist or by the therapist) before treatment begins. The plan must be signed by the physician or therapist and incorporated into the therapist's permanent record for the patient.
- 3.2.4.1 The plan must include:
- Diagnosis
  - Specific statements of long and short-term goals
  - A reasonable estimate of when the goals will be reached
  - The specific modalities/procedures to be used in treatment
  - The frequency of treatment
- 3.2.4.2 All changes to the plan must be made in writing and signed by the physician. Oral changes given by the attending physician must be recorded in the patient's record and signed by the therapist receiving the orders. The physician may change the plan of treatment established by the therapist, but the therapist may not alter a plan of treatment established by a physician.
- 3.2.4.3 The plan must be reviewed by the physician, in consultation with the therapist as such intervals as the severity of the patient's conditions requires, but at least every 30 days. Each review of the plan should contain the initials of the physician and the date of review.
- 3.2.5 The occupational therapy must be reasonable and necessary to the treatment of the individual's illness or injury. To be considered reasonable and necessary the following conditions must be met:
- 3.2.5.1 The services must be considered under accepted standards of medical practice to be specific and effective treatment for the individual's condition.
- 3.2.5.2 The occupational therapy is performed to restore the individual's level of function that has been lost or reduced by illness or injury.

3.2.5.3 The occupational therapy services must be a level of complexity and sophistication or the condition of the patient must be such that services required can be safely and effectively performed only by a qualified physical therapist or under his or her supervision. Services which do not require the performance or supervision of a physical therapist are not considered reasonable or necessary.

### **3.3 Services Not Covered**

3.3.1 Occupational therapy services include but are not limited to OT services which are not intended to improve functions is not covered by the DMAP.

### **3.4 Limitations**

3.4.1 The amount, frequency, and duration of the OT services must be reasonable. Refer to Coverage Requirements section for reasonable and necessary conditions that must be met.

3.4.2 Independent occupational therapy services are limited to services provided in the therapist's office or client's home. The patients treated are the therapist's own patients and the therapist collects a fee for the services rendered.

3.4.3 The services rendered under occupational therapy shall not be duplicated by physical therapy.

3.4.4 DMAP does not reimburse individual therapists directly for OT services provided to nursing home residents. The nursing facility is responsible for providing OT services to residents either directly or through contractual arrangement.

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## 4.0 Speech/Language Pathology Services

### 4.1 Definition of Speech/Language Therapy

- 4.1.1 Speech/language pathology services include assessing, diagnosing, treating, and helping to prevent speech, language, cognitive, communication, voice, swallowing, fluency, and other related disorders.
- 4.1.2 Speech/language pathologists work with people who:
- 4.1.2.1 Have cognitive communication impairments, such as attention, memory, and problem solving disorders;
- 4.1.2.2 Have speech rhythm and fluency problems, such as stuttering;
- 4.1.2.3 Cannot make speech sounds or cannot make them clearly;
- 4.1.2.4 Have oral motor problems causing eating and swallowing difficulties.
- 4.1.3 Speech and language problems can result from a variety of conditions including hearing loss, brain injury or deterioration, cerebral palsy, stroke, cleft palate, voice pathology, mental retardation, or Emotional disorders. Problems can be congenital, developmental, or acquired. Speech/language pathologists use written and oral tests, as well as special instruments, to diagnose the nature and extent of impairment and to record and analyze speech, language, and swallowing irregularities. For individuals with little or no speech capability, speech/language pathologists may select augmentative or alternative communication methods, including automated devices and sign language, and teach their use. Speech/language pathologists teach individuals how to make sounds, improve their voices, or increase their language skills to communicate more effectively. They help patients develop, or recover, reliable communication skills so patients can fulfill their educational, vocational, and social roles.

### 4.2 Coverage Requirements

- 4.2.1 The therapy must be furnished under a written plan of treatment established by the physician or therapist caring for the patient (i.e., written either by the physician who makes the plan available to the therapist or by the therapist). The plan must be established before treatment is started. The plan must be signed by the physician or therapist and incorporated into the therapist's permanent record for the patient.
- 4.2.1.1 The plan must include:
- Diagnosis
  - Specific statements of long and short-term goals
  - A reasonable estimate of when the goals will be reached

- The specific modalities/procedures to be used in treatment
- The frequency of treatment

4.2.2 The pathologist shall complete an in-depth assessment of particular areas that may be problematic. The assessment may include clinical observations and standardized tests. The areas assessed in-depth depend upon what the screening procedures suggest that the "presenting problem" is. If language development appears to be delayed, then the assessment will focus on language areas. If fluency is an issue, then the therapist will evaluate fluency. Some individuals may require detailed speech/language pathology assessments across several areas (i.e., speech AND language AND fluency). The speech/language pathologist views the assessment information in conjunction with the results of testing conducted by other professionals (psychologist, medical practitioners, audiologists, etc.).

4.2.3 Speech/language pathology services must be reasonable and necessary to the treatment of the individual's illness or injury. To be considered reasonable and necessary, the following conditions must be met:

4.2.3.1 The services must be considered under accepted standards of practice to be a specific and effective treatment for the patient's condition;

4.2.3.2 The services must be of such a level of complexity and sophistication, or the patient's condition must be such that the services required can be safely and effectively performed only by or under the supervision of a qualified speech pathologist.

4.2.3.3 The amount, frequency, and duration of the services must be reasonable under accepted standards of practice guidelines as developed by the State chapter of the American Speech/Language/Hearing Association.

### **4.3 Services Not Covered**

4.3.1 Speech/language therapy services not covered include but are not limited to services provided to:

4.3.1.1 Individuals with voice quality problems, such as inappropriate pitch or harsh voice and/or;

4.3.1.2 Individuals who wish to improve their communication skills by modifying an accent.

### **4.4 Limitations**

4.4.1 DMAP does not reimburse individual therapists directly for speech/language therapy services provided to nursing home residents. The nursing facility is responsible for providing speech/language therapy services to residents either directly or through contractual arrangement.

- 4.4.2 The amount, frequency, and duration of the speech/language therapy services must be reasonable. Refer to Coverage Requirements section for reasonable and necessary conditions that must be met.
- 4.4.3 Independent speech/language pathology services are limited to services provided in the therapist's office or client's home. The patients treated are the therapist's own patients and the therapist collects a fee for the services rendered.

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## **5.0 Reimbursement for Therapy Services**

### **5.1 Methodology**

- 5.1.1 Physical and occupational therapists and speech/language pathologists who are individually enrolled with the DMAP are reimbursed at a set rate using HCPCS procedure codes.
- 5.1.2 All necessary supplies and equipment used by the therapist in the course of treatment are included in the reimbursement visit and cannot be billed separately.
- 5.1.3 Services provided by an occupational therapy assistant, physical therapy assistant, and a speech/language pathology assistant are included in the reimbursement to the qualified therapist/pathologist.

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## **6.0 Billing Information**

### **6.1 Codes**

- 6.1.1 When billing for PT, OT and Speech/language pathology services providers shall use the appropriate Physical Medicine and Rehabilitation CPT procedure codes and specify the diagnosis with accurate ICD-9-CM codes.
- 6.1.2 When billing for services provided by a physical therapist, it will be necessary to specify the diagnosis that is being treated. For billing purposes, it is necessary to include the medical diagnosis that may differ from the impairment-based diagnosis described in *The Guide to Physical Therapist Practice Patient/Client Management Model*.

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