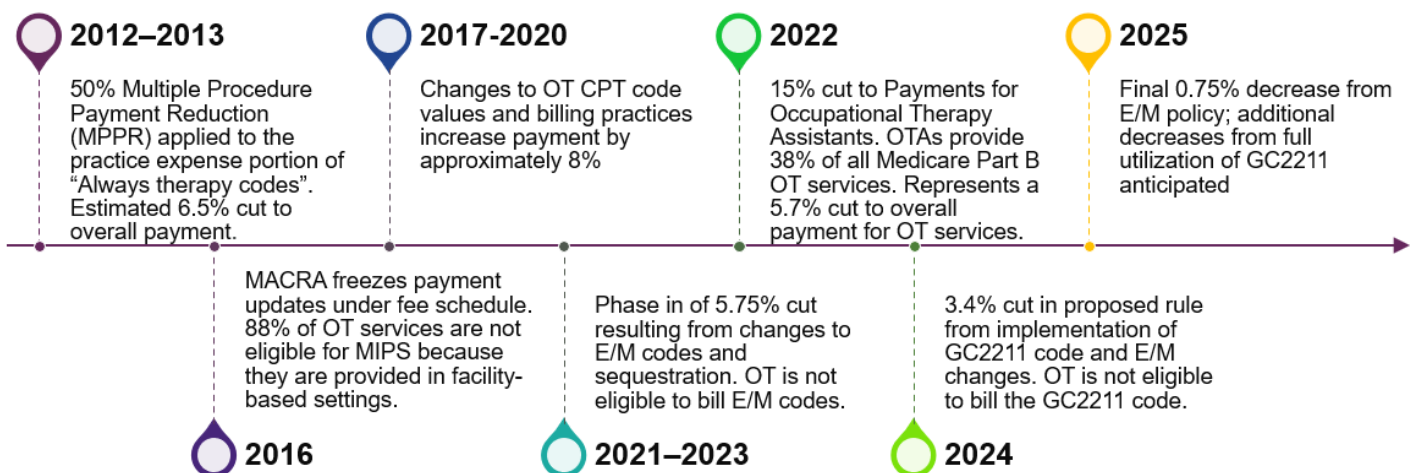


Occupational Therapy Faces Increasing Challenges Providing Care for Medicare Beneficiaries

Occupational therapy (OT) faces substantial challenges including a shrinking workforce, steep Medicare payment reductions, and limited ability to participate in quality payment programs. While more Medicare beneficiaries are receiving occupational therapy, payment rates for therapy services have decreased over the last decade, with these cuts accelerating since 2021.

OT has Faced Multiple Payment Cuts Under Medicare Since 2012

- Occupational therapy practitioners and other therapy providers were particularly hard hit by CMS's recent redistribution of resources on the physician fee schedule to increase payments for Evaluation & Management Codes. Unlike other medical specialties, therapy providers are not allowed to bill evaluation and management codes. As a result of this policy, if no further action is taken, OT services will receive a phased in cut of 9%, between 2021 and 2025, in addition to the reinstatement of the 2% sequestration.
- Compounding these cuts, as of 2022, reimbursement for services provided by occupational therapy assistants (OTA) and physical therapists assistants (PTA) are reduced by 15%. Outpatient Medicare services provided by OTAs comprise 37% of all outpatient therapy services. In rural and underserved communities, 48% of all Medicare outpatient therapy services are provided by OTAs, making them critical access points in these communities.
- The lack of inflationary adjustments over the last 8 years, the more recent budget neutrality cuts, and the cut in payment to OTAs, are layered on top of existing therapy payment reductions. A 50% reduction to the practice expense portion of "always therapy" codes was fully implemented in 2013. This multiple procedure payment reduction (MPPR) was codified by Congress, after originally being proposed by CMS.
- Finally, unlike other providers, the vast majority of occupational therapy practitioners are not able to take advantage of quality incentive payments because they work in facility-based settings such as skilled nursing facilities and hospital outpatient departments. Facility-based services are not eligible for the Quality Payment Program which provides incentives for the delivery of high-quality care.



While many healthcare practitioners have faced challenges with Medicare reimbursement over the last decade, occupational therapy practitioners have been particularly hard hit. If current policies are continued, the average occupational therapy service provided in 2025 will be paid 13% less than it would have been paid in 2012. This is without adjusting for inflation. As Medicare reform is considered, we urge Congress to enact policies that will help preserve access to occupational therapy services under Medicare and reverse current policy trends which have reduced payment with no regard to the negative impacts on occupational therapy practitioners.