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Medicare Limits on Therapy Services

Important: This information only applies if you have Original Medicare. If you have a Medicare Advantage Plan (like an HMO or PPO), check with your plan for information about your plan's coverage rules on therapy services.

Medicare law limits how much it pays for your medically necessary outpatient therapy services in one calendar year. These limits are called "therapy caps" or "therapy cap limits."

What are the outpatient therapy cap limits for 2017?

- $1,980 for physical therapy (PT) and speech-language pathology (SLP) services combined
- $1,980 for occupational therapy (OT) services

After you pay your yearly deductible for Medicare Part B (Medical Insurance), Medicare pays its share (80%), and you pay your share (20%) of the cost for the therapy services. The Part B deductible is $183 for 2017. Medicare will pay its share for therapy services until the total amount paid by both you and Medicare reaches either one of the therapy cap limits. Amounts paid by you may include costs like the deductible and coinsurance.

Can I get an exception to the therapy cap limits?

You may qualify for an exception to the therapy cap limits (which would allow Medicare to pay for services after you reach the therapy cap limits) if you get medically necessary PT, SLP, and/or OT services over the $1,980 therapy cap limit. See the next page for more information.

Who can give me outpatient therapy services?

You can get outpatient therapy from any of these health care professionals:

- Physical therapists
- Speech-language pathologists
- Occupational therapists

Doctors and other health care professionals (like nurse practitioners, clinical nurse specialists, and physician assistants) may also offer PT, SLP, and OT services.

Where can I get outpatient therapy services?

- Offices of privately practicing therapists
- Many medical offices
- Outpatient hospital departments, including those of critical access hospitals (CAHs)
- Rehabilitation agencies (sometimes called "other rehabilitation facilities" (ORFs))
- Comprehensive outpatient rehabilitation facilities (CORFs)
- Skilled nursing facilities (SNFs) when Part A doesn't apply
- At home, from certain therapy providers, like privately practicing therapists and certain home health agencies (if you aren't under a home health plan of care)

What can I do if I need medically necessary services that will go above the outpatient therapy cap limits?

You may qualify to get an exception to the therapy cap limits so that Medicare will continue to pay its share for your therapy services after you reach the therapy cap limits. Your therapist or therapy provider must:

- Establish your need for medically reasonable and necessary services and document this in your medical record
- Indicate on your Medicare claim for services above the therapy cap limit that your therapy services are medically reasonable and necessary

As part of the exceptions process, there are additional limits (called "thresholds"). If you get outpatient therapy services higher than the threshold amounts, a Medicare contractor may review your medical records to check for medical necessity. The threshold amounts for 2017 are:

- $3,700 for PT and SLP combined
- $3,700 for OT

In general (when an exceptions process is in effect), if your therapist or therapy provider provides documentation to show that your services were medically reasonable and necessary and indicates this on your claim, Medicare will continue to cover its share above the $1,980 therapy cap limits.

What can I do if I need services that will go above the outpatient therapy cap limits? (continued)

Because Medicare doesn't pay for therapy services that aren't reasonable and necessary, your therapist or therapy provider must give you a written notice, called an "Advance Beneficiary Notice of Noncoverage" (ABN), before providing services that aren't medically necessary. The ABN lets you choose whether or not you want the therapy services. If you choose to get the medically unnecessary services, you agree to pay for them.

How can I find out if my therapy services will go above the therapy cap limits?

- Ask your therapist or therapy provider. Your therapist will have the most up-to-date information and can check if your services will go above these limits.
- Visit MyMedicare.gov to track your claims for therapy services. This website is Medicare's secure online service for accessing your personal Medicare information.
- Check your "Medicare Summary Notice" (MSN). This is the notice you get in the mail (usually every 3 months) that lists the services you had and the amount you may be billed.

Where can I get more information?

Call your State Health Insurance Assistance Program (SHIP) to get free personalized health insurance counseling. To get the phone number for your state, visit shiptacenter.org, or call 1-800-MEDICARE (1-800-633-4227).
TTY users can call 1-877-486-2048.

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