Physical Therapy and Occupational Therapy Initial Evaluation and Reevaluation Reimbursement Policy					
Policy Number	0044	**Annual Approval Date**	04/2024	**Approved By**	Optum Reimbursement Committee Optum Quality Improvement Committee

IMPORTANT NOTE ABOUT THIS REIMBURSEMENT POLICY

You are responsible for submission of accurate claims. This reimbursement policy is intended to ensure that you are reimbursed based on the code or codes that correctly describe the health care services provided. Optum reimbursement policies may use Current Procedural Terminology (CPT®), Centers for Medicare and Medicaid Services (CMS) or other coding guidelines. References to CPT or other sources are for definitional purposes only and do not imply any right to reimbursement. Coding methodology, clinical rationale, industry-standard reimbursement logic, regulatory issues, business issues and other input is considered in developing reimbursement policy.*

This information is intended to serve only as a general reference resource regarding Optum's reimbursement policy for the services described and is not intended to address every aspect of a reimbursement situation. Accordingly, Optum may use reasonable discretion in interpreting and applying this policy to health care services provided in a particular case. Further, the policy does not address all issues related to reimbursement for health care services provided to Client enrollees. Other factors affecting reimbursement may supplement, modify or, in some cases, supersede this policy. These factors may include, but are not limited to: legislative mandates, the provider contracts, and/or the enrollee's benefit coverage documents. Finally, this policy may not be implemented exactly the same way on the different electronic claims processing systems used by Optum due to programming or other constraints; however, Optum strives to minimize these variations.

Optum may modify this reimbursement policy at any time by publishing a new version of the policy on this Website. However, the information presented in this policy is accurate and current as of the date of publication.

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Application

This policy applies to all products, all network and non-network rehabilitation providers. This includes non-network authorized, and percent of charge contract providers.

Fee schedule/provider contract/client contract may supersede

Policy

Overview

This policy describes Optum's requirements for the reimbursement of physical therapy evaluation CPT codes (initial evaluation 97161, 97162, 97163; re-evaluation 97164) and occupational therapy evaluation CPT codes (initial evaluation 97165, 97166, 97167; re-evaluation 97168).

Reimbursement Guidelines

Optum will allow up to one initial evaluation performed by a licensed physical therapist (PT) and occupational therapist (OT) respectively, per member, per episode of care.

An initial evaluation is supported if:

- Benefit coverage criteria are satisfied; and
- It is provided by a licensed PT or OT practicing within their scope of their license; and
- There is a documented new episode of care for a documented health problem or condition; or
- The documentation shows the evaluation is directly related to initiating post-surgical rehabilitation; and
- The clinical record is consistent with Optum's Guideline for Recordkeeping policy.

A reevaluation is supported under the following circumstances:

- Benefit coverage criteria are satisfied
- It is provided by a licensed PT or OT practicing within the scope of their license
- A revised plan of care is indicated by one or more of the following:
  - A significant or unanticipated change in symptoms and/or functional ability
  - Assessment of response or non-response to treatment using validated outcome measures at a point in care management when meaningful clinical change can reasonably be detected
  - There is a basis for determining the need for change in treatment plan/goals
- The documentation contains an interpretation of the current findings and assessment of continued treatment needs including any modification to the treatment plan and revisions of the original goals
- The reevaluation is not a routine, recurring occurrence eg, the routine assessment of patient progress conducted as a component of ongoing therapy services
- The reevaluation documentation is consistent with Optum's Guideline for Recordkeeping policy.

Note:

- State law dictating therapy practice and plan-specific policy, including certain CMS/NCCI CPT coding edits, may supersede this policy.
- Optum will not reimburse physical or occupational therapists for Evaluation and Management CPT codes 99201-99499.

Background Information

OVERVIEW

The Centers for Medicare & Medicaid Services (CMS) implemented changes to the CPT coding system for physical therapy (PT) and occupational therapy (OT) as of January 1, 2017. These changes impact the CPT codes used to describe Initial Evaluation and Re-evaluation services. Previously, a single CPT code was used (PT – 97001; OT – 97003) to report an initial evaluation. The updated reporting of initial evaluations reflects three levels of complexity (low, moderate, high). These codes take into account the progressive levels of clinician work associated with patient history, elements of examination, lability of the condition, the complexity of decision making, and standardized outcome measurement [Table 1]. For the reporting of a patient re-evaluation, the updated procedural codes have changed for PT (CPT code 97164) and OT (CPT code 97168).

The evaluation procedural codes are applicable to all settings where PT and/or OT services are performed including but not limited to inpatient and outpatient care.

Table 1. History, Examination and Complexity of Decision making are the three key components that determine the billable level of Initial Evaluation as Low, Moderate or High Complexity.

Code	Complexity	Required Components
Physical Therapy – Initial Evaluation		
97161	Low complexity	- History with no personal factors and/or comorbidities that impact the plan of care - Exam 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 - 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	Moderate complexity	- History with 1-2 personal factors and/or comorbidities that impact the plan of care - Exam of body system(s) using standardized tests and measures addressing 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 - 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	High complexity	- History with 3 or more personal factors and/or comorbidities that impact the plan of care - Exam of body system(s) using standardized tests and measures addressing 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/or unpredictable characteristics - 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.
Physical Therapy – Reevaluation		
97164	N/A	- Exam including a review of history and use of standardized tests and measures is required - 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.
Occupational Therapy – Initial Evaluation		
97165	Low complexity	An occupational profile and medical and therapy history, which includes a brief history including review of medical and/or therapy records related to the presenting problem: - An assessment(s) that identifies 1-3 performance deficits (i.e. relating to physical, cognitive, or psychosocial skills) resulting 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	Moderate complexity	- 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	High complexity	- An occupational profile and medical and therapy history, including a 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, including an analysis of the patient profile, analysis of data from comprehensive assessment(s), and consideration of multiple treatment options. Patient presents with comorbidities affecting 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.
Occupational Therapy – Reevaluation		
97168	N/A	- 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

CMS POLICY

CMS guidelines support use of these codes solely by a licensed physical or occupational therapist and at a maximum frequency of once per day. CMS requires that episodes of care be clearly documented in the patient medical record.

In order to be eligible for reimbursement, CMS requires the -59 modifier/X modifier to be appended to CPT code 97140 (manual therapy techniques), when reported on the same day as any PT/OT evaluation (CPT codes 97161-97163; 97165-97167) for the same patient. The -59 modifier must be appended to PT/OT reevaluation CPT codes (97164 and 97168), when billed on the same date as CPT codes 97150 (therapeutic procedures, group, 2 or more individuals) or 97530 (therapeutic activities).

Definitions applicable to this policy:

Episode of care	The consultation and skilled care provided by a PT or OT… • for a new health problem or condition, which begins with the initial evaluation and ends with the reporting of discharge status; or • for a previously treated health problem or condition, which is preceded by at least 3 months without treatment; or • for a previously treated health problem or condition, which is preceded by a separation from care due to a surgical procedure directly related to the health problem or condition; or • for a chronic/recurrent health problem or condition, which consists of a series of treatment intervals marked by one or more brief separations from care. An episode may include the evaluation and treatment related to multiple conditions.
Body functions	The physiological functions of body systems including psychological functions
Body structures	The structural or anatomical parts of the body such as organs, limbs and their components, classified according to body systems.
Body systems	In reporting physical therapy evaluations, the systems review includes the following: • For the cardiovascular/pulmonary system: the assessment of heart rate, respiratory rate, blood pressure, and edema • For the integumentary system: the assessment of pliability (texture), presence of scar formation, skin color, and skin integrity • For the musculoskeletal system: the assessment of gross symmetry, gross range of motion, gross strength, height and weight • For the neuromuscular system: a general assessment of gross coordinated movement (eg. Balance, gait, locomotion, transfers and transitions) and motor function (motor control and motor learning) • For communication ability, affect, cognition, language and learning style: the assessment of the ability to make needs known, consciousness, orientation (person, place and time), expected emotional/behavioral responses and learning preferences (eg. Learning barriers, education needs)
Activity limitations	Difficulties an individual may have in executing a task, action, or activities
Participation restrictions	Problems an individual may experience in involvement in life situations
Personal factors	Factors include sex, age, coping styles, social background, education, profession, past and current experience, overall behavior pattern, character and other factors that influence how disability is experienced by the individual. Personal factors could exist but may or may not negatively impact the therapy plan of care.

Resources

- American Medical Association, *Current Procedural Terminology (*CPT®) and associated publications and services
- Healthcare Common Procedure Coding System, HCPCS Release and Code Sets
- Centers for Medicare and Medicaid Services
- World Health Organization (WHO), International Classification of Functioning, Disability and Health (ICF)

History / Updates	
4/2017	Revised policy language to incorporate new CMS requirements for New Patient Evaluation and Re-evaluation to one policy.
4/2018	Annual review and update
4/2019	Annual review and update
4/2020	Annual review; The CMS Policy section was updated to include the current CMS/NCCI edits. The Policy statement was augmented to explicitly describe the application of CMS/NCCI edits.
4/2021	Annual review and update
05/2022	Annual review and update
04/2023	Annual review and update
04/2024	Annual review and update