

Mandated report: Outpatient therapy services in Medicare

ISSUE: The Middle Class Tax Relief and Job Creation Act of 2012 requires MedPAC to evaluate options to reform the payment system for outpatient therapy services, and to specifically address how the payment system can better reflect the therapy needs of the patient. The mandated report on outpatient therapy is due by June 15, 2013.

KEY POINTS: We provide an overview of the outpatient therapy benefit including background information on the benefit, Medicare program expenditures, and therapy caps. We also present findings on utilization patterns by setting and geographic location, and the coding and data challenges that are present in the Medicare outpatient therapy program.

ACTION: Commissioners should discuss the issues raised in mailing materials, and discuss next steps to begin work for the mandated report.

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