

November 1-2, 2012

Mandated report: Improving Medicare's payment system for outpatient therapy services

ISSUE: The Middle Class Tax Relief and Job Creation Act of 2012 requires the Commission to study outpatient therapy services and submit a report to the Congress that specifically addresses: (1) how to improve the outpatient therapy benefit so that it is better designed to reflect functional limitations, severity, and the therapy needs of the patient; and (2) evaluate private sector initiatives to manage the outpatient therapy benefit. The Commission is required to make recommendations about how to improve the payment system for outpatient therapy services. The mandated report is due June 2013.

KEY POINTS: As part of this mandated study, we presented an overview of the benefit to the Commission in March, September, and October 2012; and the Commission discussed draft recommendations covering three areas: 1) assuring program integrity of outpatient therapy services, 2) assuring access to outpatient therapy services while managing Medicare's costs, and 3) improving management of the benefit in the longer-term in October.

ACTION: Commissioners should review information presented in this mailing, and be prepared to finalize recommendations for outpatient therapy at the November meeting.

STAFF CONTACT: Adaeze Akamigbo and Ariel Winter (202-220-3700)