

To:
Outpatient
Hospital
Therapy
Providers
HMOs and Other
Managed Care
Programs

Requirements for Physical Therapy and Occupational Therapy Services Provided During Outpatient Hospital Cardiac Rehabilitation Clinic Visits

The changes to reimbursement rates and program requirements for outpatient hospital physical therapy (PT) and occupational therapy (OT) services (as indicated in the December 2005 *Wisconsin Medicaid and BadgerCare Update* [2005-74], titled “Changes to Reimbursement and Program Requirements for Outpatient Hospital Therapy Services”) do not affect PT and OT services provided during an outpatient hospital cardiac rehabilitation clinic visit.

For a PT or OT service to be considered part of an outpatient hospital cardiac rehabilitation clinic visit, all of the following must be true:

- The PT or OT service is provided as part of a multidisciplinary approach and cannot be separated from the outpatient hospital cardiac rehabilitation clinic visit.
- The visit is provided in an outpatient hospital facility.

Requirements

When providing a PT or OT service as part of an outpatient hospital cardiac rehabilitation clinic visit, providers should note the following:

- Prior authorization is not required.
- The PT or OT service may not be reimbursed separately from the cardiac rehabilitation clinic visit. Claims for cardiac rehabilitation clinic visits may be submitted using the 837 Health Care Claim: Institutional transaction or the UB-92 paper claim form and the appropriate cardiac rehabilitation clinic revenue code. Reimbursement for the revenue code includes all medically necessary services that are provided as part of the cardiac rehabilitation clinic visit. Providers should refer to HFS 101.03(96m), Wis. Admin. Code, for the definition of medically necessary.

Outpatient Hospital Services

To be certified and reimbursed as an outpatient hospital by Wisconsin Medicaid, a facility must be licensed as a hospital by the Division of Disability and Elder Services, Bureau of Quality Assurance (BQA) under ch. 50, Wis. Stats. Therefore, a PT or OT service may be

reimbursed as part of an outpatient hospital cardiac rehabilitation clinic visit *only* if it is provided in a building that is licensed by the BQA as a hospital. For licensure purposes, the hospital includes all inpatient rooms, surgical suites, and other facilities where services are performed for inpatients.

Wisconsin Medicaid's reimbursement methodologies differ from the methodologies of the federal Medicare program. Medicare designates a provider-based status to certain remote or satellite facilities that are not located in a BQA-licensed hospital. Facilities with a provider-based status (according to 42 CFR s. 413.65) receive Medicare's hospital reimbursement rates. Wisconsin Medicaid does not recognize Medicare's provider-based designation for these facilities; therefore, services provided at these facilities are not reimbursed at Medicaid outpatient hospital rates.

Because Wisconsin Medicaid does not recognize Medicare's provider-based designation, claims for services provided at these facilities may *not* be submitted using a hospital's Medicaid provider number. Claims for services provided at a facility outside a Medicaid-certified and BQA-licensed hospital must be submitted using the Medicaid provider number of that outside facility. For example, when a claim is submitted by a freestanding facility that is outside, but affiliated with, a Medicaid-certified hospital or located on the same property as a Medicaid-certified hospital, the billing provider number of the freestanding facility must be indicated on the claim.

Providers are reminded that they are required to maintain Medicaid certification separately from the hospital, which includes maintaining a separate provider number, to be reimbursed for services provided in facilities outside hospital locations.

Information Regarding Medicaid HMOs

This *Update* contains Medicaid fee-for-service policy and applies to providers of services to recipients on fee-for-service Medicaid only. For Medicaid HMO or managed care policy, contact the appropriate managed care organization. Wisconsin Medicaid HMOs are required to provide at least the same benefits as those provided under fee-for-service arrangements.

The *Wisconsin Medicaid and BadgerCare Update* is the first source of program policy and billing information for providers.

Although the *Update* refers to Medicaid recipients, all information applies to BadgerCare recipients also.

Wisconsin Medicaid and BadgerCare are administered by the Division of Health Care Financing, Wisconsin Department of Health and Family Services, P.O. Box 309, Madison, WI 53701-0309.

For questions, call Provider Services at (800) 947-9627 or (608) 221-9883 or visit our Web site at dhfs.wisconsin.gov/medicaid/.

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