CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-04 Medicare Claims Processing	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 2351	**Date: November 18, 2011**
	Change Request 7529

SUBJECT: Therapy Cap Values for Calendar Year (CY) 2012

I. SUMMARY OF CHANGES: This Change Request describes the policy for outpatient therapy caps for CY 2012. This Recurring Update Notification (RUN) can be found in Chapter 5, Section 10.

EFFECTIVE DATE: January 1, 2012
IMPLEMENTATION DATE: January 3, 2012

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs) and/or Carriers:
No additional funding will be provided by CMS; Contractor activities are to be carried out within their operating budgets.

For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

**Unless otherwise specified, the effective date is the date of service.*

Attachment – Recurring Update Notification

Pub. 100-04	Transmittal:2351	Date: November 18, 2011	Change Request: 7529

SUBJECT: Therapy Cap Values for Calendar Year (CY) 2012

Effective Date: January 1, 2012

Implementation Date: January 3, 2012

I. GENERAL INFORMATION

This Change Request describes the policy for outpatient therapy caps for CY 2012. The financial limitation in section 10.2 was reorganized into four sections numbered 10.2 through 10.5 through CR 7107, Transmittal 2055. This Recurring Update Notification (RUN) can be found in Chapter 5, Section 10.

A. Background: The Balanced Budget Act of 1997, P.L. 105-33, Section 4541(c) set annual caps for Part B Medicare patients. These limits change annually. The Deficit Reduction Act of 2005 directed the Secretary to implement a process for exceptions to therapy caps for medically necessary services. The Affordable Care Act (ACA) extended the exceptions to therapy caps through December 31, 2010; and, the Medicare and Medicaid Extenders Act (MMEA) of 2010 extended the therapy caps exceptions through CY 2011.

B. Policy: Therapy caps for 2012 will be $1880.

II. BUSINESS REQUIREMENTS TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7529.1	Medicare Systems shall update the allowed dollar amount for CY 2012 outpatient therapy limits, except outpatient hospital services, to $1880 for physical therapy and speech-language pathology combined and $1880 for occupational therapy.	X		X	X	X	X			X	
7529.2	Medicare contractors shall update the dollar amounts shown in existing MSN message 17.18 and 17.19 with $1880.	X		X	X	X					

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility (place an "X" in each applicable column)									
		A/B MAC	DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				OTHER
							FISS	MCS	VMS	CWF	
7529.3	A provider education article related to this instruction will be available at will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their website, and include information about it in a listserv message within 1 week of the availability of the provider education article. In addition, the provider education article shall be included in your next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X		X	X	X					

IV. SUPPORTING INFORMATION

Section A: For any recommendations and supporting information associated with listed requirements, use the box below:
Use "should" to denote recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:
7529.2	The MSN messages 17.18 and 17.19 contain the dollar amount accrued toward each cap for the individual beneficiary for the current year as well as the total amount allowed for the year. Update the dollar amount for the year to $1880 and make any changes necessary to update the beneficiary's individual accrued amount for the calendar year.

Section B: For all other recommendations and supporting information, use this space:

The exceptions process for medically necessary services that exceed therapy caps is in effect until December 31, 2011, based on the MMEA. If Congress extends the therapy cap exceptions process, contractors will be sent notice of the extension of therapy caps in the form of a change request or Joint Signature Memorandum. The public will receive notice of changes to the therapy cap amount and, if applicable, to the exceptions process through MedLearn articles, MSN, and/or the CMS Website www.cms.gov/TherapyServices.

V. CONTACTS

Pre-Implementation Contact(s): Pamela West: Pamela.West@cms.hhs.gov 410-786-2302.
Yvonne Young: Yvonne.Young@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Technical Representative (COTR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For *Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs),* and/or *Carriers*:

No additional funding will be provided by CMS; contractor activities are to be carried out within their operating budgets.

Section B: *For Medicare Administrative Contractors (MACs)*:

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the contracting officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the contracting officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.