



FAL Briefing Memo

July 2022

Federal Agencies

- **CMS:** On July 7, 2022, CMS released the Calendar Year (CY) 2023 Medicare Physician Fee Schedule Proposed Rule. Highlights of the proposed rule include:

Payment:

- The proposed 2023 conversion factor (CF) is 33.0775 down -4.42% from 2022's conversion factor of 34.6062. This decrease comes from the expiration of the 3% funding boost to the 2022 conversion factor provided by Congress in December 2021 via the *Protecting Medicare and American Farmers from Sequester Cuts Act*, and RVU budget neutrality updates (-1.5%).
- CMS is considering updating RVU component weights based on the Medicare Economic Index where the biggest impact would be a larger share being attributed to the Practice Expense (PE) component and could potentially result in up to a 2% increase to outpatient PT/OT payment. This proposal will be implemented in 2024 at the earliest and will likely be phased in over several years.

Telehealth:

- PT codes were not added to the permanent telehealth list (category 1 & 2), but several codes were added to the category 3 list. This means they can be used until the end of 2023; however, note that PT's temporary authority to use telehealth ends 151 days after the Public Health Emergency is declared over.

Remote Therapeutic Monitoring:

- Proposed two new HCPCS G codes (billable by PTs) for GRTM3 and GRTM4 related to remote therapeutic monitoring treatment assessment services. These codes would replace the CPT codes approved for RTM in last year's rule.

MIPS:

- 2023 will be the last year PTs are exempt from the promoting interoperability category.
 - New MIPS Measures include: Urinary Incontinence; Rheumatoid Arthritis (RA); and Screening for Social Drivers of Health
- **CMS:** On June 17, 2022, the Centers for Medicare & Medicaid Services (CMS) released the proposed 2023 Home Health Prospective Payment System (PPS) proposed rule. As expected, CMS is implementing big cuts to account for increased spending under the Patient Driven Groupings Model. CMS warned that such action would likely be necessary in the 2022 proposed rule but waited to act in order to let the industry settle from the effects of the

pandemic. CMS estimates that Medicare payments to HHAs in CY 2023 would decrease in the aggregate by -4.2%, or -\$810 million compared to CY 2022. The changes to payment come from 3 actions: proposed 2.9% home health payment update percentage (\$560 million increase), an estimated 6.9% decrease that reflects the effects of the proposed prospective, permanent behavioral assumption adjustment of -7.69% (\$1.33 billion decrease), And finally an estimated 0.2% decrease that reflects the effects of a proposed update to the fixed-dollar loss ratio (FDL) used in determining outlier payments (\$40 million decrease). CMS is also updating the Home Health value-based purchasing model, the quality reporting program and is soliciting comments on the use of telecommunications in home health and health equity.

- Proposed 2023 rule can be found [HERE](#).
- Press Release on the 2023 proposed rule can be found [HERE](#).

- **Department of Education:** APTA submitted comments to the Department of Education on its request for feedback on revisions to the Section 504 regulations. Section 504 of the Rehabilitation Act of 1973 is a federal law that prohibits discrimination on the basis of disability in federally-assisted programs or activities. APTA submitted comments encouraging the Department to revise the regulations to ensure that schools, parents and persons with disabilities clearly understand the difference between Section 504 protections and those found under the Individuals with Disabilities Education Act (IDEA).

- **AHRQ:** On June 28, APTA nominated Dr. Steven George to the Agency for Health Research (AHRQ's) National Advisory Council for Healthcare Research and Quality. The Council, which has several open seats, makes recommendations on priorities for a national health services research agenda to both AHRQ's director and to the Secretary of HHS. The council is comprised of 20 private-sector members, and ex-officio members from seven federal agencies (NIH, DoD, CDC, VA, OPM, FDA, CMS), and opines on a variety of research priorities related to Opioid and Substance Use Disorders (OUD/SUD) and value-based care/quality. Dr. George has made significant research contributions on rehabilitation, medicine, orthopedics, and pain, and has served as the principal or co-investigator on a substantial variety of pain-related research grants. Dr. George would bring a much-needed perspective on non-pharmacological pain management research if chosen. AHRQ will select its new council members in the coming months.

U.S. Congress

- **Pelvic Therapy:** On June 22, 2022, the "[Optimizing Postpartum Outcomes Act](#)" (H.R. 8181) was introduced in the U.S. House of Representatives by Reps. Jaime Herrera Beutler, R-Wash., and Lisa Blunt Rochester, D-Del. The legislation directs the Secretary of the Department of Health and Human Services to develop several provisions that would significantly strengthen Medicaid's emphasis on pelvic care for mothers in the postpartum period. The legislation includes pelvic floor physical therapy among the pelvic floor services that would be covered under Medicaid and the Children's Health Insurance Program, or CHIP. The bill also instructs the U.S. Centers for Medicare & Medicaid Services to develop and issue guidance on best practices, financing options, screenings, referrals, and access, as well as terminology and diagnostic codes. Additionally, if the law passes, HHS would be required to educate and train health professionals and postpartum women on the importance of pelvic health and pelvic health physical therapy. APTA's government affairs staff collaborated with APTA Pelvic Health and its Pre-Natal & 4th Trimester Task Force to help legislators shape the language included in the bill.

- **Veterans:** On June 22, 2022, the U.S. House Appropriations Committee released its proposed FY 2023 appropriations bills and accompanying report language for the U.S. Department of Veterans Affairs (VA) which included report language urging the VA "to ensure that pain treatment alternatives to opioids, such as physical therapy, are available to veterans where they are most needed. "To increase that access, the committee report language calls on VA to examine how more competitive pay for physical therapists and physical therapist assistants can help with hiring and retention. Additionally, the lawmakers recommend that the department open up its Health Professional Scholarship Program to PTs and explore ways to use PTs and PTAs in primary care, rural health, women's health, and other areas of the department. The appropriations package will be put before the House and Senate later this year. Additional details are [HERE](#).
- **Capitol Hill Fly-In:** The APTA Capitol Hill Fly-In was held June 23-24, 2022, and included 100 APTA members participating in 177 meetings with members of Congress and staff. Read a recap of the event [HERE](#).