



# Obtain all necessary documentation for outpatient therapy claims

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Physician practices, therapy providers, and facilities are all seeing more outpatient therapy denials. One reason may be that the Office of Inspector General is paying more attention to physical therapy coding. Let's look at some checklists that can help coders review dictated notes and prepare appeal letters for payment. Therapists can also use these checklists as documentation guide.

## **Episode of care definition**

An episode of care begins when a physician or qualified nonphysician practitioner (NPP) evaluates a patient and then writes and signs an order. The episode of care includes all treatment for a specific diagnosis and continues through the dictation of the discharge note.

The physician or NPP must document the medical necessity for all outpatient therapy. However, providers often miss one critical piece of information by failing to document the anticipated functional goals. The physician or NPP needs to document the patient's current functional level in the medical record, as well as the status of the expected functional level after therapy.

Steps that are usually included in an episode of care are:

- Order (stated that therapy is needed for patient to obtain certain functional goals)
- Initial evaluation
- Plan of care (POC) (a piece of the initial evaluation and re-evaluation)
- Treatment notes
- Progress notes
- Re-evaluation
- Discharge note

Documentation and appropriate code choice should assure proper reimbursement for the therapists' service.

Physician and/or NPP's must sign the order for rehabilitation therapy. The physician or NPP often combines the order and POC on a form or documents them beneath the office note as part

of the medical record. The physician or provides that certified document to therapist who will then perform the initial evaluation.

Requirements for an order and POC include:

- Diagnosis
- Long-term goals
- Type of therapy (i.e., physical or occupational)
- Amount
- Duration
- Frequency of therapy services
- Signature of physician or NPP

Physicians and NPPs often fail to document the long-term goals as part of the order and POC in outpatient rehabilitation notes for payment.

The ordering physician or NPP must clearly define and approve long-term (e.g., “It is expected that Sue Jones, after therapy, should regain 100% function of her left hand”).

Another common problem is a missing signature in the POC. The physician or NPP must certify the order and the POC.

### **Documentation for initial evaluation**

Checklist for required documentation needed for the initial evaluation:

- Presenting condition or complaint
- Diagnosis , description of specific problem
- Subjective complaints
- Date of onset
- Relevant medical history
- Prior diagnosis imaging testing
- Prior therapy history for same diagnosis, illness history
- Social support, environment
- Prior level of function
- Functional Testing
- Testing for source or cause of functional limitations
- Concise objective measurements
- Summary of therapist analysis
- Prognosis of return to prior functional status or maximal expected condition
- POC
- Signature and credentials of therapists

Notice that the POC is part of the checklist for initial evaluation. The physician or NPP often documents the POC as part of order.

When the POC is in a separate document away from the initial evaluation an auditor may deny a claim. Usually the physician or NPP combines the POC and the order into a single document. While it is acceptable to document in this fashion, the physician or NPP may leave out long-term goals in doing so.

However long-term goals are part of the documentation that the physician or NPP must certify. Guidelines state that the ordering physician must certify or sign all of the components of the plan of care.

Pieces of the episode of care are often spread throughout the medical record. Coders need to make sure the physician or NPP certifies parts belonging to the POC.

Another common problem is the absence of the provider's credentials or legible signature. If the signature or credentials are illegible, coders may not be able to report the service. Some therapy services must be provided by a licensed physical therapist instead of a NPP.

### **Checklist for re-evaluation services**

For re-evaluation services, refer to the initial evaluation checklist above. That will tell coders what information they need when a provider reports these services. The re-evaluation and initial evaluation documentation guidelines are almost identical, except that for a re-evaluation, the physician or NPP also needs to document either significant changes from the initial evaluation or progress toward goals.

Failure to document the progress the patient has made and how functionality is expected to improve with continued therapy are among the documentation concerns that may cause a loss of reimbursement when reporting re-evaluations.

### **Therapy coding**

Physical medicine and rehabilitation codes are found in the 97001–97755 series of CPT® codes. The codes fall into two categories: Time-based and service-based. Time-based codes (97032–97546) require the one-on-one attendance of the provider.

For example, both ultrasound (code 97035) and therapeutic exercise to develop strength and endurance (code 97110) are timed codes. For timed services, the therapist must document how much time was spent with the patient; otherwise, coders can't report the service.

The therapist must spend at least eight minutes performing the time-based therapy in order to bill for the service. When a therapist performs multiple services with time-based codes in a single day for a particular patient, the total number of minutes determines the number of units that providers may bill. For example, when a therapist spends 30 minutes administering treatment that has a time-based code, he or she may bill two units.

Service-based codes, such as the use of a whirlpool (code 97022) do not require direct patient contact.

## **Resources**

The checklists in this article are based on information found from [Medicare's website](#), as well as in local Medicare Administrative Contractor websites, including [www.wpsmedicare.com](http://www.wpsmedicare.com) and [www.ngsmedicare.com](http://www.ngsmedicare.com).

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