

FACT SHEET



SECTION ON

PEDIATRICS

AMERICAN PHYSICAL THERAPY ASSOCIATION

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American
Physical Therapy
Association

The Science of Healing. The Art of Caring

What Providers of Pediatric Physical Therapy Services Should Know About Medicaid

General Information About Medicaid

- State Medicaid programs are funded partially by the federal government and partially by the state government.
- State Medicaid programs are regulated by the federal government, specifically the Center for Medicare and Medicaid Services (CMS) in the US Department of Health and Human Services (DHHS).
- A state Medicaid agency may have separate organizational units for its various functions, even ones related to the same program or types of services. For instance, the unit that establishes clinical or program policies and procedures that affect physical therapy and/or durable medical equipment (DME) may be separate from the unit that establishes reimbursement rates for physical therapy and DME, which may in turn be separate from the unit that handles prior approval or claims for physical therapy and/or DME. Educate yourself about the organizational structure for your state Medicaid office and know which unit to call depending on your question, problem, or advocacy issue.
- Your state may have one or more “Medicaid waiver programs,” which fund services for people with complex health conditions. Examples include Medicaid waiver programs for children who are medically fragile or persons with developmental disabilities. These programs fund community services, likely including physical therapy and DME, to prevent the need for more costly residential or institutional care. A state Medicaid office may or may not administer these waiver programs at the state or local levels. However, a state Medicaid office would have information about these programs and how to access them.
- Find out if your state Medicaid agency has any advisory groups, such as a physician advisory group, consumer advisory group, clinician advisory group, or interagency advisory committee. If so, you may want to identify and establish relationships with at least one person on that advisory group/committee. If eligible, consider volunteering or asking to serve on an advisory committee. It is a great way to advocate, keep updated on proposed changes and programs, become aware of program nuances and issues, and provide input for state policies and procedures.

Contacting Your State Medicaid Program

- APTA has information on their Web site about Medicaid programs in each state. You can access it from APTA's home page (www.apta.org) under **Areas of Interest** in the upper left corner, then click on **Advocacy**, then **Federal Regulatory Affairs**, then scroll down to **Medicaid**. Under the **Medicaid Resource Center**, select **Medicaid Information by State**.
 - o Programs and services
 - o Clinical policies
 - o Proposed clinical policies (for public review and comment)
 - o Fee schedules or reimbursement information
 - o Forms
 - o Publications
- The official title of the state agency that administers Medicaid in your state may not have the word "Medicaid" in the title. It may go by a different name. The words "medical," "health," "health care," or "health financing" may be in the title. The Medicaid agency may be separate from the state public health department.
- Most states have a consumer/citizen hotline or information and referral service for state government offices, particularly health and human services. Contact that resource to locate your state Medicaid office. Or, search the Internet for "Medicaid" and "Name of Your State." The Section on Pediatrics Web site (www.pediatricapta.org) also has reimbursement contacts by state.
- Most state Medicaid programs have a Web site. Search the Internet as described above to find the Web site. To find information relevant to physical therapy, you may need to look for other key words, such as outpatient, hospital, home health, rehab, therapy, specialized therapies, providers, EPSDT, children with special needs, and similar terms. Information on Durable Medical Equipment (DME) or orthotics and prosthetics (O&P) will generally be listed under those terms. Familiarize yourself with the information on your state Medicaid program's Web site. Review it monthly or at least quarterly. Search the Web site for information on:
 - o Provider enrollment
 - o Provider information
 - o Provider manuals
 - o Monthly/special bulletins, newsletters
 - o National Provider Identifier (NPI) number
 - o Early Periodic Screening, Diagnosis, & Treatment (EPSDT) services
 - o Eligibility

Recipient Eligibility

- Medicaid eligibility requirements are determined by each state. The income levels and other eligibility criteria are set by the state and therefore vary from state to state. Financial eligibility is typically based on some percentage of the federal poverty level.
- Because Medicaid is primarily income based, some Medicaid recipients may move in and out of eligibility due to fluctuations in income levels. Verify Medicaid coverage at each visit. Recipients may have to be eligible for Medicaid when services are billed, as well as when services are provided. Check whether the patient has other third-party coverage, as Medicaid is usually the "payer of last resort," paying only when no other sources of private or public funding for that service are available.
- In some states, Supplemental Security Income (SSI) beneficiaries are automatically eligible for Medicaid.

Services Covered by Medicaid

- Programs, services, and benefits covered or funded by a state's Medicaid program are determined by the state and therefore vary from state to state. Each state submits a State Medicaid Plan to CMS for approval. That plan specifies Medicaid benefits and services. Physical therapy is not a federally mandated Medicaid service. Therefore, your state may or may not cover physical therapy or may limit coverage in many ways. Limitations may include service settings, provision of services by a PTA, frequency/duration of services, total visits by a PT and/or combined with other therapies, allow-

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-able CPT and ICD-9 codes, and other restrictions.

- Medicaid is not just a single program but typically includes many separate programs under a state's Medicaid plan. There may be more than one program that funds therapy services and DME. As a physical therapist, depending on your employer or practice, you may be classified under one or more categories of providers or be able to serve Medicaid recipients under one or more Medicaid programs. Clinical policies and procedures, legal requirements, documentation requirements, billable CPT and ICD-9 codes, reimbursement rates, etc, vary from one Medicaid program to another and from one provider type to another, even within a single state. Therefore, it is important to be familiar with the specific Medicaid program(s) or provider category(ies) under which you provide services. Examples of different types of Medicaid programs and provider types in a state may include:

- o Hospital inpatient
- o Hospital outpatient
- o Home health
- o Local education agencies (LEAs) or schools
- o Private practice

- Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) is a federal law that governs Medicaid services for children (birth to 21 years of age). This includes "well" child care but also any specialized diagnostic and treatment services the child needs as identified through screening or examination. Physical therapy and DME services that are not included in the standard state Medicaid plan may be able to be reviewed for Medicaid coverage under EPSDT policy. Contact your state Medicaid office or Web site for information, forms, and instructions.

Becoming a Medicaid Provider

- To enroll as a Medicaid provider in your state and obtain a provider number, contact the state Medicaid office by phone or check the Web site for enrollment application forms and instructions.
- Due to a provision of the Health Insurance Portability and Accountability Act of 1996 (HIPAA), you will also need to obtain a National Provider

Identifier (NPI) number. To do this, contact the National Plan and Provider Enumeration System (NPPES) at 800/465-3203. You will likely need to report your NPI number to the state Medicaid program prior to initiating any Medicaid billing. Web site: <http://nppes.cms.hhs.gov>.

Prior Approval for Services

- Check with your state's program to see if physical therapy services need prior approval.
- Prior Approval (PA) for services for Medicaid recipients may be determined by the state Medicaid office itself, contracted out to a private company, or handled by another state office through an interagency agreement. The Medicaid prior-approval agent for physical therapy services may be different from the prior-approval agent for DME.

General Medicaid Billing Information

- Claims processing or payment for billed services to Medicaid recipients may be completed by the state Medicaid office itself, contracted out to a private company, or handled by another state office through an interagency agreement. The Medicaid claims agent for physical therapy services may be different from the claims agent for DME.
- Medicaid typically covers physical therapy services for ICD-9 codes that pertain to the specific condition or problem being addressed by the physical therapist, not the overall medical diagnosis. For example, if you are treating a child with spastic diplegic cerebral palsy, rather than bill "343.0," you would bill for a problem such as gait abnormality (781.2), muscular incoordination (781.3), or muscle weakness (728.87).
- Be sure you are using the most recent edition of the ICD-9 and CPT Code books. These are available from various sources. Search online for "ICD-9 Code Book" or "CPT Code Book."
- You may be required to submit the correct Health Care Provider Taxonomy Code when billing Medicaid. Information may be found at <http://www.wpc-edi.com/taxonomy>. The general taxonomy code for physical therapy is **225100000X**. For pediatric physical therapy, **2251P0200X**. For physical therapy assistants, the code is **225200000X**.

Quality Assurance

- All state Medicaid agencies have a responsibility to ensure services are being provided properly and to prevent, identify, and handle cases of fraud or abuse. This unit is likely called Program Integrity, Quality Assurance, or Utilization Review.
- As a Medicaid provider, you, your employer, or your practice are subject to reviews of your clinical, administrative, and billing records to ensure compliance with Medicaid rules and regulations. These are sometimes called utilization reviews, post-payment reviews, payment validation reviews, claims reviews, or quality assurance reviews. Such reviews are conducted by Medicaid staff or their agents and are typically unannounced. It is imperative that your clinical and administrative/billing records are up to date, accurate, and compliant with all Medicaid rules, regulations, policies, and procedures for the specific Medicaid program(s) under which you provide service.

For More Information:

If you have additional questions, would like to order additional copies of this fact sheet, or would like to join the Section on Pediatrics, please contact the Executive Office of the Section on Pediatrics of the American Physical Therapy Association at: APTA Section on Pediatrics, 1111 North Fairfax Street, Alexandria, VA 22314, 800/999-2782, ext 3254, Fax: 703/706-8575. Or visit the Section's Web site at www.pediatricapta.org.

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