



American Physical Therapy Association

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June 18, 2002

The Honorable William M. Thomas
The Honorable Nancy Johnson
House Ways and Means Committee
1102 Longworth House Office Building
Washington, DC 20515

Dear Chairman Thomas and Chairwoman Johnson:

On behalf of independently practicing physical therapists nationwide, as well as the tens of thousands of Medicare patients that they serve, the American Physical Therapy Association Private Practice Section ("APTA-PPS") thanks you for your hard work on the recently introduced Medicare prescription drug legislation and the provider modifications contained therein. We are grateful for your leadership in supporting a two-year moratorium of the \$1500 annual limits on outpatient rehabilitation therapy services. Moreover, we are gratified to see that your legislation includes modifications to the physician fee schedule whereby Medicare reimburses therapy providers. We look forward to early House passage of this important Medicare bill.

The \$1500 limits imposed by the Balanced Budget Act of 1997 are entirely unrelated to the medical needs of patients and represent arbitrary restrictions on the amount Medicare will pay for these critical services. We commend you for supporting a 2-year moratorium and for recognizing that additional work must be done to develop an appropriate payment policy. By extending the moratorium on the imposition of the caps, your legislation will ensure that Medicare beneficiaries who are most in need of rehabilitative care will have access to such services.

As you know, at the beginning of this year, therapists paid under the fee schedule experienced a 5.4 percent across-the-board reduction in their Medicare payments. Your bill adjusts the updates for provider services from 2003 through 2005 to 2 percent, and permanently changes the gross domestic product (GDP) component of the sustainable growth rate (SGR) formula to a 10-year rolling average of GDP. These are positive steps in the right direction towards ensuring that Medicare adequately compensates physical therapists for their services. We commend you for your hard work on this comprehensive legislation and look forward to working with you towards finding a permanent payment mechanism that will ensure adequacy of payments and beneficiary access to care.

Sincerely,

John Hendrickson, PT, JH
President