

May 26, 2011

The Honorable Wally Herger, Chairman  
Congress of the United States House of Representatives  
Committee on Ways and Means, Health Subcommittee  
2155 Rayburn House Office Building  
Washington DC 20515-6115

The Honorable Fortney Pete Stark, Ranking Member  
Congress of the United States House of Representatives  
Committee on Ways and Means, Health Subcommittee  
2155 Rayburn House Office Building  
Washington DC 20515-6115

Dear Chairman Upton and Ranking Member Waxman:

On behalf of the American Occupational Therapy Association, the national professional association representing more than 140,000 occupational therapy practitioners and occupational therapy students nationwide, we want to thank you for the opportunity to provide comments on reforming payment under the Medicare physician fee schedule. AOTA would like to express its thanks to the Committee for its bipartisan approach towards addressing this critical issue in the 112<sup>th</sup> Congress.

Occupational therapists provide critical health care services to beneficiaries under Medicare Part B to assist individuals regain and develop skills critical to full participation in everyday life activities, helping beneficiaries remain in their homes and communities at their maximum functional level. Outpatient occupational therapy services are reimbursed under Medicare Physician Fee Schedule (MPFS) making occupational therapy practitioners extremely concerned with the adverse effect the pending 29% reduction, based on the current sustainable growth rate formula, will have on beneficiary access to essential health care services including occupational therapy.

Occupational therapy practitioners are significantly impacted by the Medicare Physician Fee Schedule and its payment policies. AOTA considers a strong Medicare Part B program essential to the provision of high quality, cost-effective, and accessible care to our nation's seniors and people with disabilities in need of care. The Medicare program's payment policies help shape policies utilized by private insurers, Medicaid, workers compensation, and others payers making Medicare policy critical to the entire health care system.

AOTA believes it is necessary to find a long term solution to the flawed sustainable growth rate in order to achieve a more stable and efficient program that will deliver optimal outcomes for Medicare beneficiaries for generations to come.

The goal of these reforms needs to be focused on providing continuity, consistency, and accuracy in the payment system to adequately cover the full panoply of essential services including occupational therapy, that are critical to patient care, while avoiding arbitrary and unfair policies

like the Medicare Part B outpatient therapy caps and the Multiple Procedure Payment Reduction Policy (MPPR) issued by CMS in the 2011 MPFS rule.

Moving away from the current, antiquated system and avoiding arbitrary policies like the therapy caps and the MPPR will be essential to establishing a more rational and adequate payment system that ensures beneficiary access to the care they need when they need it.

AOTA recognizes the need to not only avoid the 29% reduction in payments under the MPFS but also to find a long term solution that will help control costs while providing beneficiaries with access to the necessary skilled services and AOTA recommends the committee consider:

- Replacement of the Sustainable Growth Rate with an annual index of health care inflation. AOTA believes that off-setting the cost of repealing the SGR should be done through reforms to payment policies under the Medicare program that ensure high quality health care is delivered by professionals licensed and qualified to provide those services thereby reducing fraud and abuse.
- Expansion of quality reporting, value based purchasing, and use of electronic medical records under Medicare Part B as part of this reform. AOTA recommends the Committee consider policy changes needed to ensure that all providers that are eligible in the statute to participate in quality reporting can do so. Improving quality of care while also decreasing costs will require participation by all providers in the adoption of health information technology. Expansion of the health information technology incentive program to include other qualified health providers including occupational therapy practitioners would help improve quality and the efficacy of the initiative. As it exists, the initiative's capacity is limited in its ability to provide a truly integrated information management system across providers and settings in order to maintain accurate records of the full scope of beneficiaries' health and rehabilitation needs.

AOTA would also urge the Committee, while looking at reforms to the Medicare physician fee schedule, to also address problematic policies that result in arbitrary and unfair reimbursement rates for providers such as the Medicare Part B outpatient therapy caps and the MPPR policy as applied to occupational therapy and physical therapy without appropriate distinction between disciplines. Congress should act to correct these problems permanently.

Thank you for your attention to these pressing health and payment policy issues under Part B of the Medicare program. AOTA is available to assist the Committee with its work and looks forward to continued opportunities to share our thoughts and priorities with the Committee.