

**UNTANGLING THE RED TAPE**  
***CMS Re-Covers CORF Services***

**By**

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On September, 24, 2004, CMS issued an update to Chapter 12 of its Medicare Benefits Policy Manual in order to clarify both qualifications and exactly what services are covered in a Comprehensive Outpatient Rehabilitation Facility (CORF). Although much of the discussion in the update will be familiar to readers of this column, CMS did provide particularly useful guidance on the subjects of medical director qualification, covered physician services, respiratory services, the often confusing matter of the single home evaluation visit, and psychological services. The update also implicitly reasserts the advantage of the CORF venue for delivering a wide range of rehabilitation services in a single forum.

**CORF Qualifications**

In the update, CMS reiterates that CORF services are covered only if the patient has rehabilitation potential and the patient is certified by a physician as requiring skilled therapy services. In other words, the patient must have the potential to have function restored, and the services of a skilled therapist must be necessary to achieving that potential.

For patients that meet the rehabilitation potential requirement, the CORF must offer at least:

- Physician services;
- Physical therapy; and
- Social or psychological services.

In addition to the three required offerings, CMS will also reimburse a number of other services if offered in a CORF setting. These services include:

- Occupational therapy;
- Speech-Language therapy or pathology;
- Respiratory therapy;
- Prosthetic and orthotic devices - includes testing, fitting, or training in the use of such devices;
- Nursing;

- Drugs and biologicals - which are not usually self-administered by the patient;
- Supplies, appliances and equipment, including the purchase or rental of Durable Medical Equipment (DME) from the CORF; and
- A single home visit - includes evaluating the potential impact of the home environment on the rehabilitation goals.

Both the required and optional services must be furnished under a written plan of treatment. The treatment plan must be signed by a physician who CMS expects will establish the plan with the physical therapists, occupational therapists or speech-language pathologists who provide the actual therapy. An interesting addition in the new update is that CMS states that, “The physician wholly establishes the respiratory therapy plan of treatment.” The physician signing the plan of treatment may be either the CORF’s own physician (i.e, the CORF medical director) or a referring physician, provided the plan contains the diagnosis, the type, amount, frequency, and duration of skilled rehabilitation services to be performed, and the anticipated skilled rehabilitation goals.

### **The Difference Between Pulmonology and Respiratory Services**

As noted above, a CORF is required to offer its patients physician services. In order to be reimbursed by Medicare for those services, the services must be furnished by a doctor of medicine or osteopathy legally authorized to practice medicine and surgery in the state in which the services are performed. In addition, CMS requires that the CORF physician have “subsequent to completing a 1-year hospital internship, at least one year of training in the medical management of patients requiring rehabilitative services; or has had at least 1 year of full-time or part-time experience in a rehabilitation setting providing physician’s services similar to those required in a rehabilitation facility.”

The update stresses that a physician does not qualify to provide CORF services simply by virtue of being a board-certified pulmonologist. If this seems contradictory in light of CMS covering respiratory therapy as a CORF service, it should be stressed that CMS defines respiratory therapy far more broadly than pulmonological therapy. In the CORF setting, respiratory therapy services include assessment, diagnostic evaluation, treatment, management, and monitoring of respiratory deficiencies and loss of respiratory function. Covered services include therapy to increase oxygenation and ventilation in acutely ill patients, therapeutic use and monitoring of medical gases, active mists and aerosols , and such equipment as nebulizers. Also included in the definition of respiratory therapy services are bronchial hygiene therapy, including deep breathing and coughing exercises, postural drainage, chest percussion and vibration, and nasotracheal suctioning. Thus, while pulmonary respiratory services are also covered, they are but one portion of the overall respiratory services program that CMS envisions for CORF. Given this broad range of respiratory services, in addition to the rehabilitation services that a CORF will

offer to non-respiratory patients, such as neurological and orthopedic patients, it is small wonder that a pulmonology specialty is not itself sufficient to qualify a physician for directorship of the CORF.

### **CORF Physician Services vs. Office Visits**

Assuming the physician qualifies to perform services for the CORF, the physician services that are reimbursable by Medicare to the CORF are not ordinary patient office visits. According to the update, the services that a physician provides to the CORF include administrative services, consultation with and medical supervision of nonphysician staff, team conferences, and case reviews, Examinations for the purpose of establishing and reviewing the plan of care will be reimbursed to the CORF, provided that they do not result in a billable service for which the physician would bill the patient individually.

This is not to say that a physician is prohibited from seeing patients in the CORF. On the contrary, the update stresses that the physician may provide customary physician services in the CORF setting. However, the physician must bill his or her own Part B carrier for these services, as opposed to the CORF billing its fiscal intermediary for a covered CORF service. It should be noted that the update also states that the physician's Part B bill "must be clearly annotated to show the CORF as the place of treatment." This is to prevent the physician from receiving reimbursement for overhead, which would be included in the payment if the service were performed in the physician's own office.

### **Clarifying Off-Site Services and the Home Evaluation Visit**

Because the regulations permit physical therapy, occupation therapy, and speech language pathology services to be performed off the CORF premises, there has been much confusion about exactly what kind of location is permitted for such off-site services. Some providers have even gone so far as to suggest that the CORF may perform these services in the patient's home. The update reiterates that these services may be performed in any suitable location, but that CORF services are not intended to be a substitute for home health services:

In general, all services must be furnished on the premises of the CORF. The only exceptions are the home evaluation, physical therapy, occupational therapy, and speech language pathology services. There is no restriction on where these services may be furnished with the exception of home evaluations. The home evaluation may be covered if furnished pursuant to the plan of treatment, and it does not duplicate services for which payment has been made under Medicare.

The update stresses that in the patient's home the evaluation visit is covered if it is part of the plan of treatment, signed by the referring physician, and performed in conjunction with "core" CORF services, such as physical therapy. Thus, the purpose of the home visit is to facilitate incorporating the challenges of the patient's home environment into the individual patient's rehabilitation plan. The home visit is not intended to be a treatment session.

The update further stresses that Medicare will not routinely pay for home evaluations for all CORF patients. Only where it is clearly established, either through the process of establishing the plan of treatment, or through the patient's progress (or lack thereof) as the plan is carried out, that the patient's home environment may be impeding recovery, will the home evaluation visit be covered.

### **Psychological Services**

Psychological services have always been covered in a CORF, but CMS stresses in the update that they are not covered for *all* CORF patients. The key question, as always, is whether the service is reasonably necessary as part of the patient's rehabilitation plan. For example, anyone suffering a serious injury or illness can be expected to have some degree of anxiety. That factor, by itself, does not require the patient to have psychological counseling as part of his or her treatment plan. On the other hand, a patient who has suffered multiple leg or hip fractures may demonstrate excessive fear of engaging in the standing and walking exercises necessary to successfully complete his or her prescribed rehabilitation program. If that excessive fear presents a barrier to recovery, then psychological therapy is a necessary part of the treatment plan, which will be reimbursed by CMS.

In the update, CMS also addresses a particular psychological treatment modality which has caused some confusion among both providers and fiscal intermediaries: family counseling. CMS states in the update that, assuming family counseling is a reasonable and necessary service for the treatment of the patient, it will be covered in A CORF setting. However, the important factor to assess is *who* the counseling is aimed at. If the counseling is primarily to aid the recovery of the CORF patient, it will be covered. However, the services are not covered if the record reveals that the prime reason for ordering the counseling is to aid a family member in coping with the patient's condition.

### **Conclusion**

While CMS' update explicitly reiterates several aspects of CORF practice and governance, it also implicitly reiterates the advantages of the CORF structure over other outpatient rehabilitation forums, such as rehabilitation agencies and

hospital outpatient departments. With the ability to bill Medicare directly for respiratory therapy, social services, and nursing services, the CORF remains an advantageous venue in which to provide a broad range of patient services.

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