

### ***Stop Reductions to Rehabilitation Therapy Services***

ADVION supports the adoption of comprehensive reforms to the Medicare Physician Fee Schedule payment system. Rehab therapies, diagnostics and other services provided under the Medicare Physician Fee Schedule help treat chronic diseases and other health priorities. Occupational Therapy, Physical Therapy and Speech-Language Pathology help patients regain strength and function, recover from disease and various conditions and maintain independence. Rehab therapy also promotes mobility, enabling patients to remain in their homes, and prevents falls, ultimately reducing costly hospitalizations. However, year after year, cuts to the Fee Schedule continue to jeopardize the sustainability of rehab therapy services. Providers are struggling to provide access to services under continual reductions, putting patients at risk. We urge Congress to work with stakeholders to provide short term relief and support long-term payment reform to the Medicare Physician Fee Schedule (MPFS) to ensure Medicare beneficiaries continue to receive access to the high-quality care they deserve.

### ***The Continual Cascade of Cuts to Rehabilitation Therapy***

Rehabilitation therapy patients and providers including physical therapists (PTs), occupational therapists (OTs), and speech-language pathologists (SLPs) have been hit hard by steep Physician Fee Schedule (PFS) Part B reimbursement cuts in calendar years (CY) 2025, 2024, 2023, 2022, 2021, 2013, 2012, and 2011. To temporarily mitigate these drastic and compounding fee schedule cuts, Congress passed legislation in 2021, 2022, 2023, and 2024 to lessen the reductions, however, this cycle is unsustainable for clinicians and their practices. Currently, there is no predictable process that ensures appropriate reimbursement tied to inflation from year to year. Providers have been hit hard by these reductions:

**2026:** The Centers for Medicare & Medicaid Services (CMS) finalized an efficiency adjustment to non-time-based codes, resulting in a 2.5% decrease to the Work RVU every 3 years.

**2025:** CMS finalized a **2.83% reduction to all services**, including rehabilitation therapy.

**2024:** CMS applied a **3.37% cut** to fund increases for primary care E/M services.

**2023:** A **5.75% reduction** was phased in due to E/M policy changes and sequestration.

### **Ask Congress**

Support long-term reform of the Physician Fee Schedule

### **Key Facts**

An estimated **6.4 million beneficiaries** received therapy under Medicare Part B in 2021 – a 31% increase from 2009 to 2021

Between 2009-2021 the payments per outpatient therapy claim increased slightly by **6%**, while economy wide inflation increased by **26%**, as indicated by the Medicare Economic Index (MEI)<sup>1</sup>

Nursing facility patients accounted for 37% of Medicare's outpatient therapy services in 2019.

Reference:

1. [AOTA Report](#)

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**2022:** CMS implemented a **15% cut** for services by physical therapy assistants (PTAs) or occupational therapy assistants (OTAs), under the *Bipartisan Budget Act of 2018*, significantly impacting rural and underserved communities.

**2021:** CMS imposed cuts of **9% for PTs and OTs; 7% cut for SLPs; and 6% cut for portable x-ray providers** to fund E/M service increases.

**2013:** The Multiple Procedure Payment Reduction (MPPR) policy **reduced the practice expense (PE) component of the PFS Conversion Factor from 25% to 50%**, resulting in a **15% cut**.

**2012:** Congress introduced a **2% sequestration cut** across all Medicare claims, which will continue until further notice.

**2011:** CMS implemented the MPPR with a **25% cut** to the PE component of therapy CPT codes after the first billed unit of the day.

These cumulative reductions, combined with rising practice expenses and inflation, have severely strained therapy providers—especially in underserved areas—hindering access to care. Providers have had to make difficult decisions to reduce their areas of coverage, impacting access to care for Medicare beneficiaries.

### ***ADVION Calls on Congress to Undertake Comprehensive Medicare Payment Reform:***

- Tie annual Medicare Part B reimbursement updates for physicians to inflation, such as by using the Medicare Economic Index (MEI), so that rehabilitation therapy providers can remain accessible to Medicare patients.
- Remove budget neutrality and other mechanisms that create significant unpredictable reductions in Medicare provider pay.
- Allow all clinicians who bill the PFS, including rehabilitation therapists, to be eligible for the value-based payments program so that providers can earn value-based pay to mitigate other reductions.
- Study the impact of the therapy assistant reduction on services for patients who live in rural and underserved areas.

**Multiple Procedure Payment Reduction (MPPR)** is a Medicare policy that cuts payment when a therapist provides more than one service during the same day. These reductions apply to commonly used therapy codes, even though each service requires separate time, skill, and clinical expertise. Since 2011, MPPR has imposed excessive and duplicative cuts on physical, occupational, and speech-language therapy, undermining the financial stability of therapy practices and limiting patient access to care. Congress should repeal MPPR as part of broader Medicare payment reform.