



Policy Title	Multiple Procedure Payment Reduction (MPPR) for Therapy Services Reimbursement Policy
Policy Department	Payment Strategy and Operations
Effective Date	1/1/2022
Revision Date(s)	3/1/2022
Next Review Date	

Disclaimer:

Clover Health applies The Center for Medicare and Medicaid Services (CMS) criteria and guidelines, National Coverage Determinations (NCD), Local Coverage Determinations (LCD), Clover Policies, and MCG for determining medical necessity. Clover Policies are intended to provide a standard guideline but are not used to preempt providers' judgment in rendering services. Providers are expected to provide care based on best practices and use their medical judgment for appropriate care.

Description:

This reimbursement policy describes how the Multiple Procedure Payment Reduction (MPPR) methodology will be applied for Therapy Services billed to Clover Health. The MPPR applies to services identified as “always” therapy and applies to the second and subsequent therapy services furnished by a single provider to a beneficiary on a single date of service. This policy will apply to all outpatient therapy services paid under Part B, including those furnished in office and facility settings.

- Definitions:**
- **Allowable Amount:**
 - Defined as the dollar amount eligible for reimbursement to the physician or other qualified healthcare professional on the claim. Contracted rate, reasonable charge, or billed charges are examples of an Allowable Amount,



whichever is applicable. For percent of charge or discount contracts, the Allowable Amount is determined as the billed amount, less the discount.

- **Practice Expense Relative Value Units (PE RVU):**
 - The portion of the Total Relative Value Units assigned to a particular CPT or HCPCS code for maintaining a practice, including rent, equipment, supplies and nonphysician staff costs.

- **Same Individual Physician or Other Qualified Health Care Professional:**
 - The same individual rendering health care services reporting the same Federal Tax Identification number.

- **Total Relative Value Units, Total RVU:**
 - The assigned unit value of a particular CPT or HCPCS code that consists of the sum of the Work Relative Value Units, the Practice Expense Relative Value Units and the Malpractice Relative Value Units.

Policy:

Medicare applies MPPR to the Practice Expense (PE) component of payment of select therapy services paid under the MPFS. The reduction is similar to that currently applied to multiple surgical procedures and to diagnostic imaging procedures.

Many therapy services are time-based codes, i.e., multiple units may be billed for a single procedure. In compliance with CMS, Clover Health is applying a MPPR to the PE payment when more than one unit or procedure is provided to the same patient on the same day, i.e., the MPPR applies to multiple units as well as multiple procedures.

Full payment is made for the unit or procedure with the highest PE payment. For subsequent units and procedures, furnished to the same patient on the same day, full payment is made at 50 percent payment for the PE for services furnished in both office settings and institutional settings.

For therapy services furnished by a group practice or “incident to” a physician’s service, the MPPR applies to all services furnished to a patient on the same day, regardless of whether



the services are provided in one therapy discipline or multiple disciplines; for example, physical therapy, occupational therapy, or speech-language pathology.

The reduction applies to the Healthcare Common Procedure Coding System (HCPCS) codes contained on the list of “always therapy” services that are paid under the physician fee schedule, regardless of the type of provider or supplier that furnishes the services (e.g., hospitals, Home Health Agencies (HHAs), and Comprehensive Outpatient Rehabilitation Facilities (CORFs), etc.)

- For professional claims, the MPPR applies to the procedures with a Multiple Procedure value of “5” on the Medicare Fee Schedule Database (MFSDB).

When applying the 50 percent reduction in non-facility PE Relative Value Units (RVUs), Clover Health will use the fee schedule amounts.

In addition, Clover Health will retrieve the non-facility PE RVUs from the physician fee schedule database in order to rank services according to non-facility PE RVU and appropriately apply the MPPR methodology.

When the highest non-facility PE RVU applies to more than one of the identified services, Clover Health will additionally sort and rank these services according to highest fee schedule amount, with the highest of these being priced at 100 percent of the non-facility PE RVU, and the others priced at 50 percent of the non-facility PE RVU for professional claims.

The following reimbursement guidelines will apply to the MPPR for Therapy Services Policy:

- The multiple procedure value of “5,” the beneficiary’s health insurance claim number (HIC), the billing provider National Provider Identifier (NPI) tax identification number (TIN) and date of service to identify therapy services subject to the MPPR.
- The MPPR will apply to claims for two or more services identified by the multiple procedure value of 5, for the same beneficiary HIC, same billing provider NPI (TIN) and same date of service
- The services will be sorted according to the highest non-facility PE RVU amount such that the service with the highest non-facility PE RVU is ranked first.
- In performing the sort, consideration for both non-facility PE RVUs for units for procedures billed in multiple time units, and non-facility PE RVUs for procedures not billed based on time, including both in the ranking such that the highest ranked non-facility PE RVU could be either that for a single time unit of a service or a non-time



based service for a beneficiary receiving both types of services on a given date of service through the same billing provider.

- If the sort results in the highest ranked non-facility PE RVU applying to two or more services, then these highest nonfacility PE RVU services will additionally be sorted according to highest total fee schedule non facility amount, with the service with the highest fee schedule amount ranked first.
- In performing the additional sort according to the full fee schedule amount, the full fee schedule amount applicable to 1 unit for those services billed in units will be utilized.
- When the service ranked highest according to the sorts is billed in units, and multiple units were reported, the first unit will be ranked as that having the highest non-facility PE RVU.
- Reimbursement for the lower of the billed or total fee schedule amount for the service ranked highest according to the sorts described above.
- Reimbursement for the lower of the billed or the amount in field 31EE (Reduced Therapy Fee Schedule Amount) for those services ranked below the first ranked service identified through the sorts described above.
- The current CMS RVU values will be utilized to administer this policy for claims submitted with a date of service on or after March 1, 2012. These values will be reviewed and updated quarterly to align with CMS when changes are needed.
- The MPPR methodology will be applied as described above to therapy services meeting all of the criteria described in this policy, but billed on different days (i.e., coming in on separate claims for the same beneficiary HIC, billing provider NPI (TIN) and date of service).

Claim Codes (if applicable)

[National Physician Fee Schedule Relative Values File](#)

References

[Multiple Procedure Payment Reduction \(MPPR\) for Selected Therapy Services](#)



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Policy # RP-030
