Medicare SLP Supplier Status

ACTION REQUESTED

Please include Section 602 of H.R. 3162, the House-passed Children’s Health and Medicare Protection Act (CHAMP), in any Medicare legislation considered by the House and Senate this year. This language would allow speech-language pathologists to enroll in the Medicare program as private practitioners.

According to the Congressional Budget Office (CBO), the legislation is budget neutral within the five-year budget window. Section 602 does not expand Medicare coverage of speech-language pathology services, does not allow for direct access, and does not create three therapy caps. In addition, the language specifically states that current requirements for physician oversight would not change.

BACKGROUND

Senator John Ensign (R-NV) and Congressman G.K. Butterfield (D-NC) introduced legislation (S. 45 and H.R. 1774) which would permit speech-language pathologists’ enrollment in the Medicare program and allow billing from a private practice. The language was included in the House-passed CHAMP bill and received favorable support from Senate Finance Committee members. Much like other new policy initiatives, the language was not included in the trimmed-down Medicare, Medicaid, and SCHIP Extension Act of 2007 (P.L. 1110-173) which predominately addressed policies with statutory deadlines that would have a negative impact on the Medicare program.

Speech-language pathology (SLP) is a covered benefit under the Medicare program. However, under current law, speech-language pathologists in private practice are precluded from treating Medicare beneficiaries. This exclusion impedes access to SLP services, especially in rural and underserved areas. Studies indicate patients who do not receive appropriate SLP treatment have longer episodes of care and are vulnerable to pneumonia, which result in increased costs to Medicare.

Speech-language pathologists treat Medicare beneficiaries who have communication and related disorders, such as swallowing. These complex disorders can arise from cerebrovascular disease (stroke), central nervous system disorders (Parkinsons, Alzheimers), and cardiopulmonary conditions.

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**TALKING POINTS**

**What This Legislation Would Do**

1) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) would permit speech-language pathologists (SLPs) in private practice to enroll in the Medicare Part B program.

2) SLP supplier status would reduce administrative burdens and paperwork. Currently, speech-language pathologists can bill for their outpatient Medicare services, but only by creating and billing through an outpatient rehabilitation agency.

3) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) would increase patient choice and improve patient access to quality health care because private-practice SLPs would be added to the set of SLPs who could serve Medicare patients. This would be especially beneficial to patients living in rural and minority communities.

4) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) would complement current Centers for Medicare and Medicaid Services (CMS) efforts to gather SLP utilization and outcomes data. In June 2006, the Medicare Payment Advisory Commission reported that utilization data on SLP services provided under Medicare can not be effectively tracked because SLPs do not have a provider number.¹

5) In December 2006, Congress passed legislation creating a system for some providers who voluntarily report quality measures. SLPs are specifically listed as eligible providers. However, without supplier status, SLPs may not directly benefit from any bonuses paid.² Without S. 45 and H.R. 1774, SLPs have little incentive to voluntarily report quality data.

**What This Legislation Would Not Do**

6) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) would not provide direct access to speech-language pathology services. Other provider specialties, such as physical therapy and audiology, are promoting legislation that would eliminate the requirement for a Medicare beneficiary to obtain a physician referral or certification prior to receiving services. This is often referred to as limited licensure status, direct access, or independent practice. Other health providers, such as physician assistants, dentists and advance practice nurses, have been given this status under the Medicare program. S. 45 and H.R. 1774 would not change current requirements for physician oversight.

7) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) would not expand the scope of coverage under Medicare.

8) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) would not create three separate therapy caps.³
Cost-Effective Access to SLP Outpatient Services

9) A budget impact analysis conducted by the Moran Company concluded that the cost of SLP Medicare outpatient supplier status would be negligible and largely a transfer cost.4

10) Section 602 of H.R. 3162 (S. 45 and H.R. 1774) could decrease overall Medicare payments:
   - More patients could choose to receive SLP services outside of an outpatient rehabilitation facility if S. 45 and H.R. 1774 were passed. The 2004 AdvanceMed study found that speech-language pathology services provided in an outpatient rehabilitation agency had the highest average episode payment of $789 compared to all other practice settings.5
   - The most frequently cited consequence of limited or restricted swallowing and speech-language pathology services is the increased risk of aspiration pneumonia and dehydration.6 Hospitalization for these patients, who are often recovering from stroke or have Parkinson’s disease, can typically average 10-20 times the cost of appropriate speech-language pathology care in an outpatient setting.7

11) SLP service expenditures have remained consistent with the growth in Medicare beneficiaries since 1998.8

Parity with Other Federal Programs, State Laws, and Professionals

12) SLPs can directly bill Medicaid and the Veterans Health Administration. S. 45 and H.R. 1774 would simply extend this policy to Medicare Part B outpatient services.

13) Speech-language pathologists can directly bill insurers in all 50 states. SLPs are licensed as health care providers in 47 states and the District of Columbia, to practice independently and bill third-party payors (i.e., private insurance companies) directly. In those states that do not license speech-language pathologists (Colorado, Michigan, and South Dakota), professionals who hold the Certificate of Clinical Competence for Speech-Language Pathologists (CCC-SLP) may also bill insurers directly.

14) Physical and occupational therapists have Medicare supplier status. S. 45 and H.R. 1774 makes the technical correction needed to extend this recognition to SLPs.

History of Statutory Provisions Recognizing Rehabilitation Professionals

15) In 1965, physical therapists became the first therapy providers to be defined within the outpatient therapy section of the Medicare statute.9

16) SLPs were included in the Medicare outpatient program in 1972 through an amendment to the original physical therapy subsection (p) instead of being drafted
under its own subsection.\textsuperscript{10} The 1972 amendment was interpreted by the Health Care Financing Administration (HCFA), now the Centers for Medicare and Medicaid Services (CMS), as meaning that Medicare outpatient speech-language pathology was a part of Medicare outpatient physical therapy and, therefore, not allowed to bill directly from private offices, even though there was a separate definition in the statute (Section 1861(ii) of the Social Security Act) that designated speech-language pathology as a separate and distinct therapy service.

17) In 1986, occupational therapists were granted the same private provider status as physical therapists. Under subsection (g) of the outpatient Medicare Part B statute, occupational therapists were cross referenced with subsection (p) concerning coverage within the Medicare program.\textsuperscript{11} As a result, occupational and physical therapists, unlike speech-language pathologists, may bill Medicare directly for care from a private practice setting.

Support for SLP Supplier Status Legislation

18) The U.S. House of Representatives passed H.R. 1774 as part of broader healthcare legislation (the CHAMP Act) on August 1, 2007. The Senate has not yet considered this legislation. However, last year, the Senate leadership included supplier status language in its Medicare proposal at the end of 2006. Thirty members of the U.S. House of Representatives co-sponsor H.R. 1774. Last Congress, the supplier status legislation had more than 65 House co-sponsors. Supplier status legislation has been endorsed by the American Physical Therapy Association, the American Occupational Therapy Association, American Health Care Association, and the National Association for the Support of Long Term Care.\textsuperscript{12}

References

\textsuperscript{1} Medicare Policy Advisory Committee, \textit{Report to Congress: increasing Value in Medicare (June 2006)}, Chapter 6
\textsuperscript{2} Medicare Improvements and Extension Act of 2006
\textsuperscript{5} AdvanceMed PSC 2004
\textsuperscript{7} Comparison based on average Medicare hospital charges for treatment of aspiration pneumonia and outpatient fee schedule charges for SLP swallowing treatment.
\textsuperscript{8} Computer Sciences Corporation, \textit{Outpatient Therapy Services Utilization and Edit Report – Outpatient Therapy Alternative Payment Study}. Prepared for the Centers for Medicare & Medicaid Services (CMS); May 2006; p. 11.
\textsuperscript{9} 42 U.S.C. 1395x(p).
\textsuperscript{10} Ibid.
\textsuperscript{11} 42 U.S.C. 1395x(g)
\textsuperscript{12} 109th Congress: H.R. 3795 and S.657