
Medical Policy



BCN Medical Policies are a source for BCN medical policy information only. These documents are not to be used to determine benefits or reimbursement. Please reference the appropriate certificate or contract for benefit information.

BCN Policy Effective Date: 7/14/26
(See policy history boxes for previous effective dates)

Title: Physical and Occupational Therapy (Outpatient)

Description/Background

Physical therapy is the treatment of disease or injury by the use of therapeutic exercise and other interventions designed to improve posture, locomotion, strength, endurance, balance, coordination, joint mobility and flexibility. Physical therapy also focuses on improving an individual's ability to perform activities of daily living and to alleviate pain. Treatment may include active and passive modalities using a variety of means and techniques based upon biomechanical and neurophysiological principles.

Occupational therapy is a form of rehabilitation therapy involving the treatment of neuromusculoskeletal and psychological dysfunction through the use of specific tasks or goal-directed activities designed to improve functional performance. Occupational therapy services emphasize useful and purposeful activities to improve neuromusculoskeletal functions and to provide training in activities of daily living. Other occupational therapy services include the design, fabrication and use of orthotics and guidance in the selection and use of adaptive equipment.

Skilled rehabilitative services are intended to address the improvement in functional limitations of an individual's body and/or structure, which have been impaired or permanently lost as a result of illness, injury, disability, wound, or loss of a body part, while additionally addressing any limiting environmental or personal factors that are necessary to return the individual to a reasonable activity level required to participate in activities of daily living and instrumental activities of daily living within a reasonable amount of time.

Skilled habilitative services are intended to help an individual maintain, develop, or improve functioning required for participation in meaningful daily activities.

Skilled maintenance care service is intended to prevent or slow deterioration of the current ability level or condition to allow for "maximal" (realistic) participation in daily activities.

Consideration of the need for continued skilled care, including potential formal reevaluations or assessments, (habilitation/rehabilitation/maintenance) beyond the initial determination involves determining that an individual is responding appropriately to the type of care or program being provided yet still requires additional skill from a provider.

Medical Policy Statement

Coverage is available for treatment of an acute condition, an acute exacerbation of a chronic condition or injury of recent onset (within 3 to 6 months) under the outpatient physical therapy and medical rehabilitation benefit when criteria are met.

Inclusionary and Exclusionary Guidelines (Clinically based guidelines that may support individual consideration and pre-authorization decisions)

Inclusions:

Short-term outpatient physical and occupational therapy is covered when:

- The individual's condition, in the medical judgment of the primary care provider (PCP)*, is deemed to be subject to significant improvement as a result of the therapy within 60 days.
- The treatment is pre-authorized by the PCP as medically necessary and specifically prescribed by or with the concurrence of the PCP.
- The treatment is provided or supervised by a BCN affiliated licensed or registered physical or occupational therapist.

In addition:

- Coverage for therapy (PT, OT and speech) or any combination of therapy modalities is limited by the member's specific certificate level and is based on a calendar year (January 1 to December 31) unless the particular employer group specifies another time period.
- The treatment period commences with the first day of treatment. It does not begin with the initial evaluation unless treatment is also given on the day of the evaluation.
- The benefit renews on January 1 of each year (unless otherwise specified by a particular employer group) for each specific unrelated condition.
- Coverage may be available for treatment of an acute exacerbation or a change in status of a chronic condition if there is expectation of significant improvement within 60 days. A chronic condition may include, but is not limited to, cerebral palsy, multiple sclerosis, hemiplegia, etc.
- Physical therapy for treatment of temporomandibular joint (TMJ) syndrome is covered in accordance with the standards and limitations of the physical therapy benefit in the certificate, this policy and the Temporomandibular Joint Disorder policy.

Exclusions:

- Chronic conditions:
 - Coverage is NOT available for treatment of chronic conditions requiring repeated visits. For a new patient, an initial visit to establish the status of the case may be covered to determine whether the condition is chronic and requires repeated visits.
 - Coverage is NOT available for therapy which is intended to maintain the individuals status and prevent deterioration but which is not expected to significantly improve the condition.
 - Coverage is NOT available for developmental impairments such as mental retardation, autism, learning disabilities, developmental delay or sensorimotor disorder since they do not meet the significant improvement within 60 days requirement.
- Services for conditions that are generally required to be provided through publicly supported programs, public agencies or schools.
- Vocational therapy, work hardening and job skill retraining.
- Preparatory evaluation and driver's education.
- Recreational therapy, health clubs, spas, prescribed exercise activities, etc., whether or not they are supervised by health care providers.
- "Back school" programs. A back school program relates to behavior and instructional training for the prevention and treatment of back problems arising from faulty body posture and muscular dysfunction.
- Gait analysis for low back pain, hip disorders, prosthesis fittings or other musculoskeletal disorders. Gait analysis is the quantitative laboratory assessment of coordinated muscle function intended to describe complex abnormalities and patterns and provide predictive information regarding surgical outcomes.
- Group therapy is not a covered benefit for any BCN certificate.
- Care to prevent a future injury or debility in the absence of a current functional limitation.
- Continuation of care when there is not a marked improvement in clinical assessment-based measures appropriate for the individual's specific problem as it relates to their ability in daily life.

* PCP refers to the Primary Care Physician or Nurse Practitioner

Any therapy considered to be experimental/investigational, including but not limited to hippotherapy (also known as equine-assisted therapy), animal-assisted therapy or craniosacral therapy (also known as cranial osteopathy).

CPT/HCPCS Level II Codes (Note: The inclusion of a code in this list is not a guarantee of coverage. Please refer to the medical policy statement to determine the status of a given procedure)

Established codes:

97010	97012	97014	97016	97018	97022
97024	97026	97028	97032	97033	97034
97035	97036	97039	97110	97112	97113

97116	97124	97139	97161	97162	97163
97164	97165	97166	97167	97168	97530
97535	97542	97750	97760	97761	

Other codes (investigational, not medically necessary, not a benefit, etc.):

97150	97533	97537	97755
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Rationale

Physical and occupational therapy are established therapies for the treatment of disease or injury that requires therapeutic exercise or other covered modalities. These services are considered accepted standards of care and effective treatments when they assist in: reducing pain, improving mobility, regaining function, improving gait and balance, increasing independence, reducing the burden of care for activities of daily living, preventing or minimizing disability, recovering from an injury, preventing injuries, managing-age related and chronic health issues (i.e. arthritis, fibromyalgia, lymphedema, pelvic pain, urinary incontinence), preventing or reducing the need for surgery, improving quality of life, strengthening, conditioning and improving post-surgical outcomes,

Government Regulations

NCD:

CMS Publication 100-2 Medicare Benefit Policy Manual, Chapter 8, (Rev. 12283; Issued: 10-05-23)

Section 30.2.1: Skilled Services Defined (Rev. 179, Issued: 01-14-14, Effective: 01-07-14, Implementation: 01-07-14):

Skilled nursing and/or skilled rehabilitation services are those services, furnished pursuant to physician orders, that:

- Require the skills of qualified technical or professional health personnel such as registered nurses, licensed practical (vocational) nurses, physical therapists, occupational therapists, and speech-language pathologists or audiologists; and
- Must be provided directly by or under the general supervision of these skilled nursing or skilled rehabilitation personnel to assure the safety of the patient and to achieve the medically desired result.

NOTE: “General supervision” requires initial direction and periodic inspection of the actual activity. However, the supervisor need not always be physically present or on the premises when the assistant is performing services.

Skilled care may be necessary to improve a patient's current condition, to maintain the patient's current condition, or to prevent or slow further deterioration of the patient's condition.

Jimmo Settlement states:

Coverage of skilled nursing and skilled therapy services in the Skilled Nursing Facility (SNF), Home Health (HH), and Outpatient Therapy (OPT) settings does not turn on the presence or absence of a beneficiary's potential for improvement, but rather on the beneficiary's need for skilled care. Skilled care may be necessary to improve a patient's current condition, to maintain the patient's current condition, or to prevent or slow further deterioration of the patient's condition.

CMS Publication 100-02 Medicare Benefit Policy Manual, Chapter 15, (Rev 12497, 2/8/24)

Section 220: Coverage of Outpatient Rehabilitation Therapy Services (Physical Therapy, Occupational Therapy, and Speech-Language Pathology Services) Under Medical Insurance (Rev. 12425; Issued: 12-21-23; Effective: 01-01-24; Implementation: 01-02-24)

Definitions

The following defines terms used in this section and §230:

CERTIFICATION is the physician's/nonphysician practitioner's (NPP) approval of the plan of care. Certification requires a dated signature on the plan of care or some other document that indicates approval of the plan of care.

NONPHYSICIAN PRACTITIONERS (NPP) means physician assistants, clinical nurse specialists, and nurse practitioners, who may, if state and local laws permit it, and when appropriate rules are followed, provide, certify or supervise therapy services.

PHYSICIAN with respect to outpatient rehabilitation therapy services means a Doctor of Medicine, osteopathy (including an osteopathic practitioner), podiatric medicine, or optometry (for low vision rehabilitation only). Chiropractors and Doctor of Dental Surgery or dental medicine are not considered physicians for therapy services and may neither refer patients for rehabilitation therapy services nor establish therapy plans of care.

QUALIFIED PROFESSIONAL means a physical therapist, occupational therapist, speech-language pathologist, physician, nurse practitioner, clinical nurse specialist, or physician's assistant, who is licensed or certified by the state to furnish therapy services, and who also may appropriately furnish therapy services under Medicare policies. Qualified professional may also include a physical therapist assistant (PTA) or an occupational therapy assistant (OTA) when furnishing services under the supervision of a qualified therapist, who is working within the state scope of practice in the state in which the services are furnished. Assistants are limited in the services they may furnish (see section 230.1 and 230.2) and may not supervise other therapy caregivers.

QUALIFIED PERSONNEL means staff (auxiliary personnel) who have been educated and trained as therapists and qualify to furnish therapy services only under direct supervision incident to a physician or NPP. See §230.5 of this chapter. Qualified personnel may or may not be licensed as therapists but meet all of the requirements for therapists with the exception of licensure.

THERAPIST refers only to qualified physical therapists, occupational therapists and speech-language pathologists, as defined in §230. Qualifications that define therapists are in §§230.1, 230.2, and 230.3. Skills of a therapist are defined by the scope of practice for therapists in the state).

THERAPY (or outpatient rehabilitation services) includes only outpatient physical therapy (PT), occupational therapy (OT) and speech-language pathology (SLP) services paid using the Medicare Physician Fee Schedule or the same services when provided in hospitals that are exempt from the hospital Outpatient Prospective Payment System and paid on a reasonable cost basis, including critical access hospitals.

General

Therapy services are a covered benefit in §§1861(g), 1861(p), and 1861(l) of the Act. Therapy services may also be provided incident to the services of a physician/NPP under §§1861(s)(2) and 1862(a)(20) of the Act.

Covered therapy services are furnished by providers, by others under arrangements with and under the supervision of providers, or furnished by suppliers (e.g., physicians, NPP, enrolled therapists), who meet the requirements in Medicare manuals for therapy services.

Section 220.1 – Conditions of Coverage and Payment for Outpatient Physical Therapy, Occupational Therapy, or Speech-Language Pathology Services (Rev. 255, Issued: 1/25/19, Effective: 1/1/19; Implementation: 2/26/19)

In order for a service to be covered, it must have a benefit category in the statute, it must not be excluded and it must be reasonable and necessary. Therapy services are a benefit under §1861 of the Act. Consult Pub. 100-08, chapter 13, §13.5.1 for full descriptions of a reasonable and necessary service.

Outpatient therapy services furnished to a beneficiary by a provider or supplier are payable only when furnished in accordance with certain conditions. The following conditions apply.

- Services are or were required because the individual needed therapy services (see 42CFR424.24(c), §220.1.3);
- A plan for furnishing such services has been established by a physician/NPP or by the therapist providing such services and is periodically reviewed by a physician/NPP* (see 42CFR424.24(c), §220.1.2);
- Services are or were furnished while the individual is or was under the care of a physician* (see 42CFR424.24(c), §220.1.1);

- In certifying an outpatient plan of care for therapy a physician/NPP is certifying that the above three conditions are met (42 CFR 424.24(c)). Certification is required for coverage and payment of a therapy claim.

Section 220.1.2 - Plans of Care for Outpatient Physical Therapy, Occupational Therapy, or Speech-Language Pathology Services (Rev. 255, Issued: 01-25-19, Effective: 01-01-19, Implementation: 02-26-19)

Outpatient therapy services shall be furnished under a plan established by:

- A physician/NPP (consultation with the treating physical therapist, occupational therapist, or speech-language pathologist is recommended. Only a physician may establish a plan of care in a CORF;
- The physical therapist who will provide the physical therapy services;
- The occupational therapist who will provide the occupational therapy services; or
- The speech-language pathologist who will provide the speech-language pathology services.

Section 220.1.3 - Certification and Recertification of Need for Treatment and Therapy Plans of Care (Rev. 88, Issued: 05-07-08, Effective: 01-01-08, Implementation: 06-09-08)

Physician/NPP Options for Certification. A physician/NPP (non-physician practitioner) may certify or recertify a plan for whatever duration of treatment the physician/NPP determines is appropriate, up to a maximum of 90 calendar days.

Restrictions on Certification. Certifications and re-certifications by doctors of podiatric medicine must be consistent with the scope of the professional services provided by a doctor of podiatric medicine as authorized by applicable state law. Optometrists may order and certify only low vision services. Chiropractors may not certify or recertify plans of care for therapy services.

Section: 220.2 - Reasonable and Necessary Outpatient Rehabilitation Therapy Services (Rev. 255, Issued: 01-25-19, Effective: 01-01-19, Implementation: 02-26-19)

Reasonable and Necessary

To be considered reasonable and necessary the following conditions must each be met:

- The services shall be considered under accepted standards of medical practice to be a specific and effective treatment for the patient's condition.
- The services shall be of such a level of complexity and sophistication or the condition of the patient shall be such that the services required can be safely and effectively performed only by a therapist, or in the case of physical therapy and occupational therapy by or under the supervision of a therapist. Services that do not require the performance or supervision of a therapist are not skilled and are not considered reasonable or necessary therapy services, even if they are performed or supervised by a qualified professional.
- While a beneficiary's particular medical condition is a valid factor in deciding if skilled therapy services are needed, a beneficiary's diagnosis or prognosis cannot be the sole factor in deciding that a service is or is not skilled. The key issue is whether the skills of a

therapist are needed to treat the illness or injury, or whether the services can be carried out by non-skilled personnel.

- The amount, frequency, and duration of the services must be reasonable under accepted standards of practice.

(The above Medicare information is current as of the review date for this policy. However, the coverage issues and policies maintained by the Centers for Medicare & Medicare Services [CMS, formerly HCFA] are updated and/or revised periodically. Therefore, the most current CMS information may not be contained in this document. For the most current information, the reader should contact an official Medicare source.)

Related Policies

- Speech and Swallowing Therapy
 - Temporomandibular Joint Disorder
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References

1. Blue Cross Blue Shield Association, "Physical Therapy," *Medical Policy Reference Manual*, # 8.03.02, Original Policy Date 7/31/96, Issue 4: 2002, Last Review Date 12/18/02, No further review scheduled.
2. Blue Cross Blue Shield Association, "Occupational Therapy," *Medical Policy Reference Manual*, # 8.03.03, Original Policy Date 7/31/96, Issue 4: 2004, Last Review Date 11/9/04, No further review scheduled.
3. Centers for Medicare & Medicaid Services (CMS), *Medicare Benefit Policy Manual* - Pub. 100-2: Chapter 8, Section 30.2.1, "Coverage of Extended Care (SNF) Services Under Hospital Insurance"; Revision date 10/5/23; <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c08pdf.pdf>. Accessed June 8, 2026.
4. Centers for Medicare & Medicaid Services (CMS), *Medicare Benefit Policy Manual* - Pub. 100-2: Chapter 15, Section 220, "Covered Medical and Other Health Services, Conditions of Coverage and Payment Outpatient Physical Therapy, Occupational Therapy, or Speech-Language Pathology Services", 2/8/24; <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf>. Accessed June 8, 2026.
5. Centers for Medicare & Medicaid Services (CMS), *Medicare Benefit Policy Manual* - Pub. 100-2: Chapter 15, Section 220.1, "Conditions of Coverage and Payment for Outpatient Physical Therapy, Occupational Therapy, or Speech-Language Pathology Services." 2/26/19. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf>. Accessed June 8, 2026.
6. Centers for Medicare & Medicaid Services (CMS), *Medicare Benefit Policy Manual* - Pub. 100-2: Chapter 15, Section 220.2, "Reasonable and Necessary Outpatient Rehabilitation Therapy Services." 2/26/19. <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Downloads/bp102c15.pdf>. Accessed June 8, 2026.

The articles reviewed in this research include those obtained in an Internet based literature search for relevant medical references through 6/8/26, the date the research was completed.

BCN Medical Policy History

Date	Rationale
6/1/99	BCN policy established
3/14/01	Policy updated
9/9/05	Policy updated
03/30/07	Policy updated; code changes
05/21/08	Policy updated
12/17/08	Routine maintenance
02/09/10	Routine maintenance
11/14/11	Routine maintenance
3/20/13	Routine maintenance; code updates; Blue Cross Complete updated to reflect 2013 MDHHS PT/OT changes; UM Premier Care and GradCare benefits updated to reflect current certificates of coverage.
11/19/14	Routine maintenance
01/20/16	Routine maintenance
1/18/17	Routine maintenance
1/17/18	• Routine maintenance • Clarification of skilled care language added to Medicare section per <i>Jimmo v. Sebelius Agreement</i>
1/23/19	• Routine maintenance • NPs added as primary care provider per Michigan Law and system configuration • 97762 deleted per code update
9/24/19	• Routine maintenance
7/9/20	• Routine maintenance
7/15/21	• Routine maintenance
7/7/22	• Routine maintenance • Criteria adjusted to align with JUMP TMJ policy
7/13/23	• Routine maintenance (slp) • Vendor managed: Evicore
7/11/24	• Routine maintenance (slp) • Vendor managed: Evicore
7/11/25	• Routine maintenance (slp) • Vendor managed: Evicore

7/14/26	• Routine maintenance (slp) • Vendor managed: Evicore
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Next Review: 3rd Qtr, 2027

MEDICAL POLICY TITLE: PHYSICAL AND OCCUPATIONAL THERAPY (OUTPATIENT)
BCN BENEFIT ADMINISTRATION

I. Coverage Determination

Commercial HMO (includes Self-Funded groups unless otherwise specified)	Covered, policy and certificate guidelines apply
UM Premier Care and GradCare	Treatment for conditions considered to have a major diagnosis is limited to 60 visits per calendar year for any combination of physical, occupational, and speech therapy. Treatment for conditions that are considered to have a minor diagnosis is limited to 15 visits per calendar year for any combination of physical, occupational, and speech therapy. Major and minor diagnoses are determined by the Group Health Plan.
BCNA (Medicare Advantage)	Refer to the Medicare information under the Government Regulations section of this policy.
BCN65 (Medicare Complementary)	Coinurance covered if primary Medicare covers the service.

II. Administrative Guidelines

- The member's contract must be active at the time the service is rendered.
- Coverage is based on each member's certificate and is not guaranteed. Please consult the member's certificate for details. Additional information regarding coverage or benefits may also be obtained through customer or provider inquiry services at BCN.
- The service must be authorized by the member's PCP except for Self-Referral Option (SRO) members seeking Tier 2 coverage.
- Services must be performed by a BCN-contracted provider, if available, except for Self-Referral Option (SRO) members seeking Tier 2 coverage.
- Payment is based on BCN payment rules, individual certificate and certificate riders.
- Appropriate copayments will apply. Refer to certificate and applicable riders for detailed information.
- CPT - HCPCS codes are used for descriptive purposes only and are not a guarantee of coverage.
- *Duplicate (back-up) equipment is not a covered benefit.*