

# MEDICAL POLICY

MEDICAL POLICY DETAILS	
Medical Policy Title	Occupational Therapy (OT)
Policy Number	8.01.17
Category	Contract Clarification
Original Effective Date	11/19/99
Committee Approval Date	07/19/01, 08/22/02, 01/22/04, 04/28/05, 04/27/06, 02/22/07, 04/24/08, 04/23/09, 06/24/10, 06/24/11, 08/23/12, 08/22/13, 08/28/14, 08/27/15, 08/25/16, 08/25/17, 08/23/18, 06/27/19, 06/25/20, 06/24/21, 06/16/22, 08/17/23
Current Effective Date	01/16/24
Archived Date	N/A
Archive Review Date	N/A
Product Disclaimer	<ul style="list-style-type: none"> <li>• If a product excludes coverage for a service, it is not covered, and medical policy criteria do not apply.</li> <li>• If a commercial product (including an Essential Plan or Child Health Plus product), medical policy criteria apply to the benefit.</li> <li>• If a Medicaid product covers a specific service, and there are no New York State Medicaid guidelines (eMedNY) criteria, medical policy criteria apply to the benefit.</li> <li>• If a Medicare product (including Medicare HMO-Dual Special Needs Program (DSNP) product) covers a specific service, and there is no national or local Medicare coverage decision for the service, medical policy criteria apply to the benefit.</li> <li>• If a Medicare HMO-Dual Special Needs Program (DSNP) product DOES NOT cover a specific service, please refer to the Medicaid Product coverage line.</li> </ul>

## POLICY STATEMENT

- I. Based upon our criteria and assessment of the peer-reviewed literature, restorative or habilitative occupational therapy (OT) services have been medically proven to be effective and, therefore, are considered **medically appropriate** when performed to meet the needs of a patient who suffers from a medically determinable, functional physical impairment due to disease, trauma/injury, congenital anomaly or prior therapeutic intervention(s), as determined by standardized assessment.

In determining the medical necessity of OT services, consideration will be given to the degree/severity of limitation/deficit the impairment poses on the individual and whether the deficit(s) are expected to improve over a short period of time (generally up to two months) with treatment. In order for ongoing treatment to continue to be considered medically necessary, significant improvement, as determined with reference to standardized assessment(s) completed during evaluation and repeated in follow-up session(s), must be demonstrated in objective measures.

- II. Based upon our criteria and assessment of the peer-reviewed literature, restorative or habilitative OT services have been medically proven to be effective and, therefore, are considered **medically appropriate** for children suffering from a medically determinable, severe or significant impairment resulting from disease, trauma, congenital anomaly or previous therapeutic processes, as determined by standardized assessment.

A medically determinable, severe delay or disorder in a child is identified by a functional impairment/deficit that adversely affects the child's performance, or a significant delay or disorder in one or more functional areas, as compared to accepted milestones for child development, which adversely affects the child's ability to learn.

A significant delay or disorder in children is defined as:

- A. A 33% delay in one functional area or a 25% delay in each of two areas; or

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- B. If appropriate standardized instruments are individually administered in the evaluation process, a score of at least 2.0 standard deviations below the mean in one functional area or score of at least 1.5 standard deviations below the mean in each of two functional areas.
- III. Based upon our criteria and assessment of the peer-reviewed literature, non-skilled services that do not generally require the skills of a qualified provider of OT services are considered **not medically necessary**. These services may include:
- A. passive range of motion (PROM) treatment that is not related to restoration of a specific loss of function;
  - B. any of the following treatments when given alone or to a patient who presents with no complications: hot packs; infrared heat; whirlpool baths; paraffin baths; Hubbard tank; cold packs; ice packs, contrast baths, transcutaneous electrical nerve stimulation (TENS);
  - C. services that maintain function by using routine, repetitive, and reinforced procedures (e.g., daily feeding programs once the adaptive procedures are in place); conditioning; or land or water-based exercise programs;
  - D. vasopneumatic compression; when used alone without the need for skilled monitoring of potential adverse signs and symptoms; and
  - E. crutch training.
- IV. Based upon our criteria and assessment of the peer-reviewed literature, the following OT services have not been proven to be effective and are, therefore, considered **not medically necessary**:
- A. Gait analysis;
  - B. Sensory integration therapy (SIT);
  - C. Work-related or workers' compensation programs (e.g., work evaluation, work reconditioning, work hardening programs, sheltered work programs, vocational training), as these programs are for conditioning primarily for return to work and not treatment of a medical condition. When OT services are needed to treat a medical or surgical condition in order for a patient to return to work, services are covered by the New York State Vocational and Educational Services for Individuals with Disabilities (VESID) Program.
  - D. OT programs solely for sports and/or recreational purposes (e.g., conditioning, strength training, and aquatic exercise programs such as water aerobics and water walking).
- V. Based upon our criteria and assessment of the peer-reviewed literature, constraint-induced movement therapy (CIMT), as a sole measure of therapy, has not been medically proven to be effective and, therefore, is considered **investigational** for all indications, including, but not limited to, cerebral palsy, congenital hemiplegia, and stroke rehabilitation.
- VI. Maintenance programs are programs that consist of activities that preserve the patient's present level of function and prevent regression of that function. Maintenance begins when the therapeutic goals of a treatment plan have been achieved or when no additional functional progress is apparent or expected to occur. Maintenance programs are considered **not medically necessary**.

*Refer to Corporate Medical Policy #2.01.13 Computerized Motion Diagnostic Imaging (CMDI)/Gait Analysis.*

*Refer to Corporate Medical Policy #7.01.11 Cosmetic and Reconstructive Procedures, which includes iontophoresis.*

*Refer to Corporate Medical Policy #8.01.12 Physical Therapy (PT), which includes dry needling.*

*Refer to Corporate Medical Policy #8.01.19 Cognitive Rehabilitation, which includes sensory integration therapy.*

*Refer to Corporate Medical Policy #10.01.02 Chiropractic Care.*

*Refer to Corporate Medical Policy #11.01.03 Experimental and Investigational Services.*

**POLICY GUIDELINES**

- I. Occupational therapy must meet **ALL** of the following criteria:
- A. It meets the functional needs of a patient who suffers from physical impairment due to disease, trauma, congenital anomaly or prior therapeutic intervention(s);
  - B. It achieves a specific, diagnosis-related goal for a patient who has a reasonable expectation of achieving

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- measurable improvement in a reasonable and predictable period of time;
  - C. It provides specific, effective, and reasonable treatment for the patient's diagnosis and physical condition;
  - D. It is delivered by a qualified provider of OT services. A qualified provider is one who is licensed where required and performs within the scope of licensure; and
  - E. It requires the judgment, knowledge, and skills of a qualified provider of OT services due to the complexity and sophistication of the therapy and the physical condition of the patient.
- II. OT office records must contain a written plan of care, which should include:
- A. Diagnosis, including severity level of diagnosis;
  - B. Specific statements of long- and short-term functional-based goals;
  - C. Measurable objectives based on standardized outcome measures defined in evaluation and reassessed during follow-up sessions;
  - D. A reasonable estimate of when the goals will be reached;
  - E. The specific treatment techniques and/or activities to be used in treatment (skilled intervention);
  - F. The frequency and duration of treatment; and
  - G. Prior level of function (PLOF), prior treatment, and current level of function (CLOF).
- III. Certain contracts only cover short-term OT services for a limited number of visits per condition, per lifetime, or per contract year. The visit limits do not apply when OT is for the treatment of a Mental Disorder (including Autism Spectrum Disorder). Mental disorder is defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders.
- IV. Coverage is not available for services provided by school districts, as stipulated in the child's (preschool ages 3-5 years and school age 5-21 years) Individualized Education Program (IEP), as the services are generally considered free care or a government program.
- A. When applicable, an IEP should be completed through the school district before a request for coverage is submitted to the Health Plan.
  - B. If a child is home-schooled, an assessment by the school district should be completed prior to submitting a request to the Health Plan for coverage. Requests for services for home-schooled children outside New York State will be reviewed on an individual basis in accordance with state regulations for the state in which the child lives.
  - C. Occupational therapy services denied by the school district, including summer services, and not covered in a child's IEP, will be reviewed by the Health Plan for medical necessity in accordance with member's subscriber contract.
  - D. If outpatient therapies requested are in addition to the school-based services noted in the IEP, or the provider does not feel that the child's needs are being met by the school-based services noted in the IEP, or when there is no IEP provided but it is documented that the child receives school-based services, documentation must include rationale supporting the medical necessity of the additional outpatient services beyond what the child is already receiving at school as noted in the IEP.
  - E. Interim summer programs are provided by school districts for children whose handicapping conditions are severe enough to warrant a structured learning environment of 12 months' duration in order to maintain developmental levels. For preschool children, summer instruction must be available for those whose disabilities are severe enough to warrant a structured learning environment of 12 months' duration to prevent substantial regression.

### **DESCRIPTION**

Occupational Therapy (OT) is a form of rehabilitation therapy involving the treatment of individuals of all ages with functional deficits resulting from injury, disease, or birth. Occupational therapists assess all components of function (strength, range of motion, sensation, coordination, cognition, perception, vision, memory, judgment, safety, etc.) and work with the individual through the use of goal-directed, graded activity and exercise to improve skills. When this is not possible, adaptation of technique or equipment is utilized to improve function in areas of activities of daily living (ADL), which may include self-care (e.g., bathing, dressing, toileting, grooming, feeding), homemaking, money management, leisure, play, written communication, community re-entry, etc.

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Other related OT services include fabrication and/or selection and training in the use of orthoses, custom therapeutic garments, upper extremity prosthetics, and adaptive equipment/assistive technology. Use of superficial heat in preparation for functional activities (paraffin, hot packs, and fluid therapy) may be used.

Sensory integration therapy (SIT) is a form of OT that has been investigated as a method of treatment for autism, intellectually disabled, or learning disabilities. Sensory integration therapy is aimed at improving the way the brain processes and organizes sensations, as opposed to teaching higher-order skills.

Constraint-induced movement therapy (CIMT) is proposed as a method of therapy to help patients with neurological disorders (e.g., cerebral palsy, congenital hemiplegia, stroke) regain the use of dysfunctional limb(s). CIMT involves restraint of the unaffected limb and intensively engaging the affected limb in repetitive exercises; which results in the new neural pathways being generated in the brain.

OT is a short-term therapy for which significant, measurable improvements are the expected result. Impairments range in severity from mild to severe and are classified according to their level of severity. A mild impairment is less than one standard deviation from normal, a moderate impairment is one to two standard deviations from normal, and a severe impairment is more than two standard deviations from normal.

Under the New York Insurance Law, all medical, major medical, and comprehensive-type contracts providing coverage physician services must provide coverage for the medically necessary screening, diagnosis, and treatment of Autism Spectrum Disorders, when prescribed or ordered by a licensed physician or a licensed psychologist. Treatment includes services provided by a licensed or certified speech therapist, occupational therapist, physical therapist, and/or social worker when the policy generally provides such coverage. Therapeutic treatment must include care that is deemed habilitative or non-restorative.

As of January 1, 2014, the Patient Protection and Affordable Care Act (PPACA) requires all health insurers to provide coverage for essential health benefits in the individual and small group markets, including habilitative services. Under PPACA, habilitative services are health care services that help a person keep, learn or improve skills and functioning for daily living and include the management of limitations and disabilities, including services or programs that help maintain or prevent deterioration in physical, cognitive, or behavioral function.

## **RATIONALE**

### **Sensory integration therapy (SIT)**

There is insufficient evidence to permit conclusions regarding the effectiveness of SIT or whether SIT improves the net health outcome in children with autism and developmental impairments. Only one study was published for SIT in autistic children, and three studies were published for SIT in intellectually disabled children; the validity of all four studies is questionable. The evidence indicates that SIT does not improve the net health outcome in learning-disabled children when compared to alternative treatments or no treatment at all.

In June 2012, the American Academy of Pediatrics (AAP) issued a policy statement indicating that OT “with the use of sensory-based therapies may be acceptable as one of the components of a comprehensive treatment plan. However, parents should be informed that the amount of research regarding the effectiveness of sensory integration therapy is limited and inconclusive.”

### **Constraint-induced movement therapy (CIMT)**

There is insufficient evidence to permit conclusions regarding the effectiveness of CIMT for any indication. The majority of studies address the utilization of CIMT in either cerebral palsy, congenital hemiplegia, or stroke rehabilitation. Several studies, systematic reviews and meta-analyses have recently been published. They generally conclude that further rigorous, well-designed, randomized, controlled studies addressing CIMT are needed, to determine the efficacy of its use.

## **CODES**

- *Eligibility for reimbursement is based upon the benefits set forth in the member’s subscriber contract.*
- ***CODES MAY NOT BE COVERED UNDER ALL CIRCUMSTANCES. PLEASE READ THE POLICY AND GUIDELINES STATEMENTS CAREFULLY.***
- *Codes may not be all inclusive as the AMA and CMS code updates may occur more frequently than policy updates.*

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- *Code Key: Experimental/Investigational = (E/I), Not medically necessary/ appropriate = (NMN).*
- *Note: Reimbursement mechanisms vary by Health Plan Region. Services may be reimbursed on a per modality or a global reimbursement basis.*

**CPT Codes**

<b>Code</b>	<b>Description</b>
97010	Application of a modality to 1 or more areas; hot or cold packs
97014	electrical stimulation (unattended)
97016	vasopneumatic devices (NMN when used without skilled monitoring)
97018	paraffin bath
97022	whirlpool
97024	diathermy (eg, microwave)
97026	infrared
97028	ultraviolet
97032	electrical stimulation (manual), each 15 minutes
97033	iontophoresis, each 15 minutes
97034	contrast baths, each 15 minutes
97035	ultrasound, each 15 minutes
97036	Hubbard tank, each 15 minutes
97110	Therapeutic procedure, 1 or more areas, each 15 minutes; therapeutic exercises to develop strength and endurance, range of motion and flexibility
97112	neuromuscular reeducation of movement, balance, coordination, kinesthetic sense, posture, and/or proprioception for sitting and/or standing activities
97124	massage, including effleurage, petrissage and/or tapotement (stroking, compression, percussion)
97140	Manual therapy techniques (eg, mobilization/ manipulation, manual lymphatic drainage, manual traction), 1 or more regions, each 15 minutes
97150	Therapeutic procedure(s), group (2 or more individuals)
97165	Occupational therapy evaluation, low complexity
97166	Occupational therapy evaluation, moderate complexity
97167	Occupational therapy evaluation, high complexity
97168	Re-evaluation of occupational therapy established plan of care
97530	Therapeutic activities, direct (one-on-one) patient contact (use of dynamic activities to improve functional performance), each 15 minutes
97533 (NMN)	Sensory integrative techniques to enhance sensory processing and promote adaptive responses to environmental demands, direct (one-on-one) patient contact, each 15 minutes

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<b>Code</b>	<b>Description</b>
97535	Self-care/home management training (e.g., activities of daily living (ADL) and compensatory training, meal preparation, safety procedures and instructions in use of assistive technology devices/adaptive equipment) direct one-on-one contact, each 15 minutes
97537 (NMN)	Community/work reintegration training (e.g., shopping, transportation, money management, avocational activities and/or work environment/modification analysis, work task analysis), direct one-on-one contact, each 15 minutes
97542	Wheelchair management (e.g., assessment, fitting, training), each 15 minutes
97545 (NMN)	Work hardening/conditioning; initial two hours
97546 (NMN)	each additional hour
97760	Orthotic(s) management and training (including assessment and fitting when not otherwise reported), upper extremity (ies), lower extremity(ies) and/or trunk, initial orthotic(s) encounter, each 15 minutes
97761	Prosthetic(s) training, upper and/or lower extremity(ies), initial prosthetic(s) encounter, each 15 minutes
97763	Orthotic(s)/prosthetic(s) management and/or training, upper extremity (ies), and/or trunk, subsequent orthotic(s)/prosthetic(s) encounter, each 15 minutes

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<b>Code</b>	<b>Description</b>
G0129	Occupational therapy requiring the skills of a qualified occupational therapist, furnished as a component of a partial hospitalization treatment program, per session (45 minutes or more)
G0283	Electrical stimulation (unattended), to one or more areas for indication(s) other than wound care, as part of a therapy plan of care
S9129	Occupational therapy; in the home, per diem

**Modifier Codes**

<b>Code</b>	<b>Description</b>
96	Habilitative services
97	Rehabilitative services

**ICD10 Codes**

<b>Code</b>	<b>Description</b>
	Several

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**KEY WORDS**

Constraint-induced movement therapy (CIMT), Gait analysis, Occupational therapy, OT, Sensory integration therapy, SIT.

**CMS COVERAGE FOR MEDICARE PRODUCT MEMBERS**

There is currently a Local Coverage Determination (LCD) addressing Outpatient Physical and Occupational Therapy Services. Please refer to the following website for Medicare Members:

[<https://www.cms.gov/medicare-coverage-database/view/lcd.aspx?lcdid=33631&ver=51&keyword=Outpatient%20Physical%20and%20Occupational%20Therapy%20Services&keywordType=starts&areald=all&docType=NCA,CAL,NCD,MEDCAC,TA,MCD,6,3,5,1,F,P&contractOption=all&sortBy=relevance&bc=1>]

There is currently a Local Coverage Article addressing Billing and Coding: Outpatient Physical and Occupational Therapy Services. Please refer to the following website for Medicare Members:

[<https://www.cms.gov/medicare-coverage-database/view/article.aspx?articleid=56566&ver=27&SearchType=Advanced&CoverageSelection=Both&NCSelection=NCA%7cCAL%7cNCD%7cMEDCAC%7cTA%7cMCD&ArticleType=BC%7cSAD%7cRTC%7cReg&PolicyType=Both&s=41&KeyWord=physical+therapy&KeyWordLookUp=Doc&KeyWordSearchType=Exact&kq=true&bc=MAAAAgAAAA&=>]