 KMTSJ, Inc.	DEPARTMENT:	Utilization Management
	SUBJECT:	Occupational Therapy
	PRODUCT LINE:	All
	POLICY NUMBER:	UM109
	ORIGINAL POLICY EFFECTIVE DATE:	08/13/2021
	LAST REVISED DATE:	02/28/2023
	LAST REVIEWED DATE:	02/15/2024

SCOPE: To ensure Group Health Cooperative of Eau Claire (the Cooperative) consistently and correctly administers occupational therapy benefits to all members according to their policy benefits.

POLICY: It is the policy of the Cooperative to review requests for occupational therapy according to member policy and evidence-based medical criteria through the prior authorization process.

PROCEDURE: Prior Authorization Required: YES

Commercial: Check individual policy because some groups have limitations related to occupational therapy

Small Group:

Coverage Criteria:


****Check the individual policy for coverage limitations. Some policies have a 20-visit limit per year.**

For plans that have a therapy benefit, an initial occupational therapy evaluation is covered without prior authorization when medically necessary. After the first visit, continued therapy rehabilitative and habilitative services are subject to the individual terms and policy specifics as listed in the schedule of benefits. Medically necessary services must meet the following criteria:

1. Prescribed by a physician, **AND**
2. Provided by a certified therapist, **AND**
3. Must be of the complexity and nature to require a certified therapist, **AND**
4. Disorder must be caused by a new disease, injury, or medical condition, **AND**
5. Member's loss of functional ability must be 20% below the normal range, **AND**
6. Member must display the potential to re-achieve their previous skill level, **AND**
7. Therapy is expected to result in a significant improvement in the member's condition within a reasonable and generally predictable period of time, **AND**
8. Must not be duplicative (If member's needs are met through another therapy discipline or service, then OT services would be denied.)

Exclusions:

Occupational therapy is **NOT** considered medically necessary or is a contract exclusion in the following circumstances:

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1. Services that a child's school is legally obligated to provide, whether the school actually provides the services and whether the member chooses to use those services are a contract exclusion.
2. Services primarily aimed at restoring vocational or work-related skills or abilities such as:
 - a. Vocational services or conditioning
 - b. Work hardening programs
 - c. Functional capacity evaluations
 - d. Vocational rehab or therapy
3. Therapy considered non-medical whereby the purpose is for:
 - a. Self-care or self-help training
 - b. Acquisition or restoration of incidental activities of daily living (IADL's)
 - c. Recreational therapy
 - d. Education
 - e. Academic or school related
 - f. Physical fitness or exercise programs
4. Biofeedback
5. Hypnotherapy
6. Developmental Delay
7. Sensory deficit or sensory integration issues
8. Multiple handicap
9. Motor dysfunction
10. Minimal brain dysfunction or cognitive issues
11. Cognitive rehabilitation
12. Learning or intellectual disabilities
13. Neurological delays
14. Perceptual disorders
15. Behavioral disorders, hyperactivity and/or attention deficit disorders
16. Maintenance therapies of any kind

Large Group:

Coverage Criteria:

****Check the individual policy for coverage limitations. Some policies have a 20-visit limit per year**

For plans that have a occupational therapy benefit, an initial occupational therapy evaluation is covered without prior authorization when medically necessary. After the first visit, continued therapy rehabilitative and habilitative services are subject to the individual terms and policy specifics as listed in the schedule of benefits. Medically necessary services need to meet the following criteria:


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1. Prescribed by a physician, **AND**
2. Provided by a certified therapist, **AND**
3. Must be of the complexity and nature to require a certified therapist, **AND**
4. Disorder must be caused by a new disease, injury, or medical condition, **AND**
5. Member's loss of functional ability must be 20% below the normal range, **AND**
6. Member must display the potential to re-achieve their previous skill level, **AND**
7. Therapy is expected to result in a significant improvement in the member's condition within a reasonable and generally predictable period of time, **AND**
8. Must not be duplicative (If member's needs are met through another therapy discipline or service, then OT services would be denied.)

Exclusions:

Occupational therapy is **NOT** considered medically necessary or is a contract exclusion in the following circumstances:

1. Services that a child's school is legally obligated to provide, whether the school actually provides the services and whether the member chooses to use those services are a contract exclusion
2. Services primarily aimed at restoring vocational or work-related skills or abilities such as:
 - a. Vocational services or conditioning
 - b. Work hardening programs
 - c. Functional capacity evaluations
 - d. Vocational rehab or therapy
3. Therapy considered non-medical whereby the purpose is for:
 - a. Self-care or self-help training
 - b. Acquisition or restoration of activities of daily living (ADL)
 - c. Acquisition or restoration of incidental activities of daily living (IADL's)
 - d. Recreational therapy
 - e. Education
 - f. Academic or school related
 - g. Physical fitness or exercise programs
3. Biofeedback
4. Hypnotherapy
5. Developmental delay
6. Sensory deficit or sensory integration issues
7. Multiple handicap
8. Motor dysfunction
9. Minimal brain dysfunction or cognitive issues
10. Cognitive rehabilitation
11. Learning or intellectual disabilities
12. Neurological delay
13. Perceptual disorder

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14. Behavioral disorders, hyperactivity and/or attention deficit disorders
15. Maintenance therapies of any kind
16. All habilitative services and related treatment

State of Wisconsin:

Coverage Criteria:


Occupational therapy is medically necessary to treat disorders only when the disorder results from illness or injury, or as otherwise related to covered autism treatment services. Coverage limits apply: 50 visits per year. Medically necessary rehabilitative and habilitative services need to meet the following criteria:

1. Prescribed by a physician, **AND**
2. Provided by a certified therapist , **AND**
3. Must be of the complexity and nature to require a certified speech and language pathologist, **AND**
4. Disorder must be caused by a new disease, injury, or medical condition, **AND**
5. Member's loss of functional ability must be 20% below the normal range, **AND**
6. Member must display the potential to re-achieve their previous skill level, **AND**
7. Therapy is expected to result in a significant improvement in the member's condition within a reasonable and generally predictable period of time, **AND**
8. Must not be duplicative (If member's needs are met through another therapy discipline or service, then OT services would be denied.)

Exclusions:

Occupational therapy is **NOT** considered medically necessary or is a contract exclusion in the following circumstances:

1. Services that a child's school is legally obligated to provide, whether the school actually provides the services and whether the member chooses to use those services are a contract exclusion.
2. Services primarily aimed at restoring vocational or work-related skills or abilities such as:
 - a. Vocational services or conditioning
 - b. Work hardening programs
 - c. Functional capacity evaluations
 - d. Vocational rehab or therapy
3. Therapy considered non-medical whereby the purpose is for:
 - a. Self-care or self-help training
 - b. Acquisition or restoration of incidental activities of daily living (IADL's)
 - c. Recreational therapy
 - d. Education

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- e. Academic or school related
- f. Physical fitness or exercise programs
- 4. Services for the evaluation, diagnosis, or treatment of cognitive, neurological and/or developmental problems, and/or delays that are **NOT** a result of illness or injury, which includes but is not limited to:
 - a. Learning disabilities
 - b. Perceptual disorders
 - c. Intellectual disability, behavioral disorders, hyperactivity and/or attention deficit disorders
 - d. Minimal brain dysfunctions or cognitive issues
 - e. Cognitive rehabilitation
 - f. Sensory deficit
 - g. Sensory integration
 - h. Multiple handicap
 - i. Motor dysfunction
 - j. developmental delays
- 5. Maintenance therapies of any kind
- 6. Acupuncture or treatment associated with acupuncture
- 7. Biofeedback, except that provided by a physical therapist for treatment of headaches and spastic torticollis
- 8. Hypnotherapy

Medicaid and Medicare Advantage


Coverage Criteria:

Occupational therapy is a covered benefit when it is determined to be medically necessary. Medically necessary services must meet the following criteria:

- 1. Prescribed by a physician, **AND**
- 2. Provided by a certified therapist, **AND**
- 3. Must be of the complexity and nature to require a certified therapist, **AND**
- 4. Disorder must be caused by a new disease, injury, or medical condition, **AND**
- 5. Must be a loss of functional ability to perform ADLs, **AND**
- 6. Member’s functional ability/delay must be 20% below the normal range, **AND**
- 7. Member must display the potential to re-achieve their previous skill level, **AND**
- 8. Therapy is expected to result in a significant improvement in the member’s condition within a reasonable and generally predictable period of time, **AND**
- 9. Must not be duplicative (If member’s needs are met through school-based services, then non-school based services would be denied.)

Exclusions:

Occupational therapy is **NOT** considered medically necessary in the following circumstances:

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1. Duplicative: when other therapies (disciplines or facilities) are providing sufficient services to meet the member’s functioning needs
2. Services that do not require the skills of a qualified provider of occupational therapy services, such as treatments that maintain function by using routine, repetitious, and reinforced procedures that are neither diagnostic nor therapeutic (e.g., practicing word drills for developmental articulation errors) or procedures that may be carried out effectively by the member, family, or caregivers at home on their own
3. When the member does not show motivation, interest, or desire to participate in therapy
4. The evaluation indicates that the member’s abilities are functional for their present way of life
5. Member has achieved independence in daily activities
6. Member has shown no progress toward meeting or maintaining established treatment goals
7. Member has shown no ability to carry over abilities gained from treatment in a facility to home
8. Member’s chronological or developmental age, way of life or home situation indicates that the stated therapy goals are not appropriate for member or serve no functional or maintenance purpose
9. Services primarily aimed at restoring vocational or work-related skills or abilities such as:
 - a. Vocational services or conditioning
 - b. Work hardening programs
 - c. Functional capacity evaluations
 - d. Vocational rehab or therapy
10. Therapy considered non-medical whereby the purpose is for:
 - a. Self-help training
 - b. Recreational therapy
 - c. Educational in nature
 - d. Academic or school related
 - e. Physical fitness or exercise programs
11. Biofeedback
12. Hypnotherapy
13. Acupuncture or treatment associated with acupuncture

APPROVED: 

DATE: 02/15/2024

REVISION HISTORY:

Rev. Date	Revised By/Title	Summary of Revision
08/20/2022	Michele Bauer, MD, CMO	Added Medicare Advantage product line.
02/28/2023	Michele Bauer, MD, CMO	Removed ST reference, added SBS contract exclusion for commercial plans
02/15/2024	Michele Bauer, MD, CMO	Reviewed. No changes.