

PT/OT Initial Evaluations Policy

Purpose

This policy is intended to ensure correct provider reimbursement and serves only as a general resource regarding Molina Healthcare's reimbursement policy for the services described in this policy. It is not intended to address every aspect of a reimbursement situation, nor is it intended to impact care decisions. This policy was developed using nationally accepted industry standards and coding principles. In a conflict, federal and state guidelines, as applicable, and the member's benefit plan document supersede the information in this policy. Also, to the extent of conflicts between this policy and the provider contract language, the Provider contract language will prevail. Coverage may be mandated by applicable legal requirements of a State, the Federal government or the Centers for Medicare and Medicaid Services (CMS). References included were accurate at the time of policy approval. If there is a state exception, please refer to the state exception table listed below.

Policy Overview

In the context of physical therapy (PT) and occupational therapy (OT), a therapy evaluation service refers to the process of assessing and diagnosing a patient's condition to determine the most appropriate therapeutic interventions and treatment plan. These evaluations are typically conducted by licensed physical therapists and occupational therapists.

- **Physical Therapy (PT) Evaluation:** This involves a comprehensive assessment of a patient's physical function, mobility, strength, range of motion, pain level, and any specific physical impairments. The PT evaluates the patient's condition to identify any musculoskeletal, neurological, or other issues. The goal is to understand the patient's limitations and design a personalized treatment plan to improve their physical function and overall well-being.
- **Occupational Therapy (OT) Evaluation:** OT evaluations focus on a patient's ability to perform activities of daily living (ADLs) and functional tasks. Occupational therapists assess a patient's fine motor skills, cognitive abilities, sensory processing, and environmental factors that may affect their ability to participate in daily life activities. The OT evaluation aims to identify any barriers or challenges a person may face in their daily routines and develop interventions to enhance their independence and quality of life.

Both PT and OT evaluations are essential steps in the rehabilitation process. They help therapists gather the necessary information to create individualized treatment plans tailored to the patient's unique needs and goals. These evaluations may include various assessments, tests, and observations to provide a comprehensive understanding of the patient's condition.

Reimbursement Guidelines

Billing for PT/OT initial evaluations" refers to the process of charging for these assessment services as part of the healthcare billing and reimbursement process. Proper coding and billing procedures are crucial to ensure that healthcare providers are compensated accurately for their services.

When billing for PT/OT initial evaluations, it is essential to use the appropriate billing codes as defined by CMS. For initial evaluations:

- Physical Therapists (PTs) should use codes covered by their local state DMS agencies.
- Occupational Therapists (OTs) should use codes covered by their local state DMS agencies.

Not adhering to the correct billing guidelines could lead to a denial of your claim or a claim payment recovery by Molina Healthcare.



Please keep the following points in mind when billing for an evaluation:

- Do not submit charges for an initial therapy evaluation for each therapy discipline on multiple dates of service. If the evaluation spans multiple days, bill it as a single unit for the entire evaluation service. Typically, this billing should occur on the day the evaluation is concluded.
- The additional minutes required to finalize the evaluation during subsequent sessions as part of the therapy are not considered 'treatment time.

Not adhering to the correct billing guidelines could lead to a denial of your claim or a claim payment recovery by Molina Healthcare.

Supplemental Information

Definitions

Term	Definition
CMS	The Centers for Medicare & Medicaid Services
OT	Occupational Therapy
PT	Physical Therapy

State Exceptions

State	Exception
CA	CA MediCal is considered excluded as therapy evaluation codes are included in the non-benefit listing.
NY	NY Medicaid is considered excluded as evaluations are not on the fee schedule
TX	TX Medicaid states procedure codes for PT and OT evaluations are payable once every three years to the same rendering provider.

Documentation History

Type	Date	Action
Initial Creation Date	09/08/2023	New Policy
Revised Date	12/17/2024	Updated template and verified links
Revised Date	08/06/2025	Updated template and verified links
Revised Date	08/21/2025	Updated Template

References

This policy was developed using:

- CMS
- State Medicaid Regulatory Guidance
- State Contracts

Reference	Link
CMS	Article - Billing and Coding: Outpatient Physical and Occupational Therapy Services (A56566)

CMS	Article - Billing and Coding: Medical Necessity of Therapy Services (A53304)
AZ	310X.pdf
CA	Publications Medi-Cal Providers
FL	Physical Therapy Services Fee Schedule January 1, 2025.pdf
FL	Occupational Therapy Fee Schedule January 1, 2025.pdf
ID	Therapy Services
IL	Therapy Providers Fee Schedule
KY	2025 Occupational Therapy Fee Schedule
KY	2025 Physical Therapy Fee Schedule
MA	Therapist Manual
MI	MedicaidProviderManual.pdf
MS	Medicaid Therapy Services
NV	NV BillingGuidelines PT34
OH	App-DD.pdf
SC	Fee Schedules SCDHHS
TX	2_16_PT_OT_ST_Srvs.fm
UT	Utah Medicaid PT and OT Services Manual
WA	Outpatient Rehabilitation Billing Guide
WI	Online Handbook Display

***CODING DISCLAIMER.** Codes listed in this policy are for reference purposes only and may not be all-inclusive. Deleted codes and codes which are not effective at the time the service is rendered may not be eligible for reimbursement. Listing of a service or device code in this policy does guarantee coverage. Coverage is determined by the benefit document. Molina adheres to Current Procedural Terminology (CPT®), a registered trademark of the American Medical Association (AMA). All CPT codes and descriptions are copyrighted by the AMA; this information is included for informational purposes only. Providers and facilities are expected to utilize industry standard coding practices for all submissions. When improper billing and coding is not followed, Molina has the right to reject/deny the claim and recover claim payment(s). Due to changing industry practices, Molina reserves the right to revise this policy as needed.