Subject: Modifiers CO and CQ

Application: Medicare Advantage and Commercial Products    Published date: 12/2019

Policy number: CP2018009

Related policies: N/A

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Overview

The Centers for Medicare & Medicaid Services (CMS) created modifier CO to identify outpatient occupational therapy services provided in whole or in part by an occupational therapy assistant (OTA) and modifier CQ to identify outpatient physical therapy services provided in whole or in part by a physical therapist assistant (PTA). This policy outlines Humana’s billing requirements and reimbursement for those services.

Medicare Advantage and Commercial Payment Policy

Definitions of Italicized Terms

References

General Humana Resources
Medicare Advantage and Commercial Payment Policy

In addition to the policy, claims payments are subject to other plan requirements for the processing and payment of claims, including, but not limited to, requirements of medical necessity and reasonableness and applicable referral or authorization requirements.

The following policy applies to every charge for an occupational or physical therapy service paid on an outpatient basis reported on either a professional or an institutional claim except for an institutional type of bill 85x claim.

Humana requires a provider to submit a charge for an outpatient occupational or physical therapy service provided January 1, 2020 or later, with modifier CO or modifier CQ, as applicable standards in the Federal Register and relevant CMS guidance direct.

Effective for dates of service beginning January 1, 2022, Humana allows a charge for an outpatient OTA or PTA service at 85% of the contracted rate or base maximum amount payable under the member’s plan, if, as discussed in the requirement above, modifier CO or CQ would have been appropriate for that service.

Definitions of *Italicized Terms*

- **Base maximum amount payable under the member’s plan:** The maximum amount of reimbursement for a covered expense, determined by the member’s plan. Depending on the plan, this may be the maximum allowable fee, the appropriate Medicare fee schedule rate or an amount derived from another payment model. Actual plan reimbursement may be less than this base maximum amount, because of applicable adjustments.
- **Modifier CO:** Outpatient occupational therapy services furnished in whole or in part by an occupational therapy assistant.
- **Modifier CQ:** Outpatient physical therapy services furnished in whole or in part by a physical therapist assistant.
- **Occupational therapy assistant (OTA):** For Medicare Advantage plans, an individual who qualifies as an occupational therapy assistant for Original Medicare; for commercial plans, an individual who qualifies as an occupational therapy assistant, as defined in Humana’s Physical Therapy and Occupational Therapy Medical Coverage Policy.
- **Physical therapist assistant (PTA):** For Medicare Advantage plans, an individual who qualifies as a physical therapist assistant for Original Medicare; for commercial plans, an individual who qualifies as a physical therapist assistant, as defined in Humana’s Physical Therapy and Occupational Therapy Medical Coverage Policy.

References

- Centers for Medicare & Medicaid Services HCPCS Level II and associated publications and services.

**Note:** Links to sources outside of Humana’s control are verified at the time of publication. Please report broken links.
General Humana Resources

- **Availity** – Providers can register for access to information on a variety of topics such as eligibility, benefits, referrals, authorizations, claims and electronic remittances.
- **Claims processing edit notifications** – Alerts of upcoming claims payment changes are posted on the first Friday of each month.
- **Claims resources** – Providers can find information on referrals, authorizations, electronic claim submissions and more.
- **Education and news** – This page can help you find clinical guidelines, educational tools, Medicare and Medicaid resources, our provider magazine and other resources to help you do business with us.
- **Making it easier** – This page contains an educational series for providers and healthcare professionals.
- **Medical and pharmacy coverage policies** – Humana publishes determinations of coverage of medical procedures, devices and medications for the treatment of various conditions. There may be variances in coverage among plans.