



## Medical Coverage Policy

Effective Date .....10/1/2025

Next Review Date .....7/15/2026

Coverage Policy Number..... 0600

# Site of Care: Outpatient Hospital Setting for Physical and Occupational Therapy

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## Related Coverage Resources

[Occupational Therapy](#)

[Physical Therapy](#)

## INSTRUCTIONS FOR USE

*The following Coverage Policy applies to health benefit plans administered by Cigna Companies. Certain Cigna Companies and/or lines of business only provide utilization review services to clients and do not make coverage determinations. References to standard benefit plan language and coverage determinations do not apply to those clients. Coverage Policies are intended to provide guidance in interpreting certain standard benefit plans administered by Cigna Companies. Please note, the terms of a customer's particular benefit plan document [Group Service Agreement, Evidence of Coverage, Certificate of Coverage, Summary Plan Description (SPD) or similar plan document] may differ significantly from the standard benefit plans upon which these Coverage Policies are based. For example, a customer's benefit plan document may contain a specific exclusion related to a topic addressed in a Coverage Policy. In the event of a conflict, a customer's benefit plan document always supersedes the information in the Coverage Policies. In the absence of a controlling federal or state coverage mandate, benefits are ultimately determined by the terms of the applicable benefit plan document. Coverage determinations in each specific instance require consideration of 1) the terms of the applicable benefit plan document in effect on the date of service; 2) any applicable laws/regulations; 3) any relevant collateral source materials including Coverage Policies and; 4) the specific facts of the particular situation. Each coverage request should be reviewed on its own merits. Medical directors are expected to exercise clinical judgment where appropriate and have discretion in making individual coverage determinations. Where coverage for care or services does not depend on specific circumstances, reimbursement will only be provided if a requested service(s) is submitted in accordance with the relevant criteria outlined in the applicable Coverage Policy, including covered diagnosis and/or procedure code(s). Reimbursement is not allowed for services when billed for conditions or diagnoses that are not covered under this Coverage Policy (see "Coding Information" below). When billing, providers*

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*must use the most appropriate codes as of the effective date of the submission. Claims submitted for services that are not accompanied by covered code(s) under the applicable Coverage Policy will be denied as not covered. Coverage Policies relate exclusively to the administration of health benefit plans. Coverage Policies are not recommendations for treatment and should never be used as treatment guidelines. In certain markets, delegated vendor guidelines may be used to support medical necessity and other coverage determinations.*

## Overview

This Coverage Policy addresses the medical necessity of physical therapy and occupational therapy services for adult and pediatric patients provided in outpatient hospital setting.

## Coverage Policy

**Physical therapy (PT) or occupational therapy (OT) services provided in an outpatient hospital setting is considered medically necessary for an adult or pediatric patient when ANY of the following criteria is met:**

- Specialized equipment (e.g., overhead harness system for gait training, exoskeleton for gait) is required for medically necessary PT/OT services not available in a free-standing PT/OT facility.
- Specialized PT/OT personnel (e.g., Board Certified Cardiovascular and Pulmonary Clinical Specialist, wound care certified) who are not available in a free-standing PT/OT facility are required to provide medically necessary services.
- A freestanding PT/OT facility is not available within a reasonable geographical location/distance.

**OR the individual of any age meets ANY of the following clinical criteria:**

- amputation within the last 12 months (i.e., Symes, transtibial, knee disarticulation, transfemoral, hip disarticulation, transradial, transhumeral, shoulder disarticulation)
- severe burn injuries requiring debridement and frequent dressing changes
- major organ transplant surgery (i.e., heart, lung, liver, kidney) within the last three months
- history of cardiovascular diagnoses that would increase risk and/or would require ongoing higher acuity monitoring (e.g., telemetry, ECG) during therapy including but not limited to:
  - aortic stenosis
  - cardiomyopathy
  - implanted cardioverter-defibrillator
  - implanted pacemaker
  - myocardial infarction (MI) within past three months
  - recent coronary intervention (i.e., plain angioplasty within 90 days, bare metal stents placed within 90 days, drug eluting stents placed within one year)
  - severe/significant valvular disease
  - stage 3 hypertension (HTN) (e.g., BP > 180/110)
  - symptomatic/unstable cardiac arrhythmia
  - unstable coronary syndromes (i.e., unstable or severe angina [Canadian Class III or IV], uncompensated chronic heart failure [CHF] [NYHA class III or IV])

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- history of neurological diagnoses that would increase risk and/or would require ongoing higher acuity monitoring (e.g., telemetry, ECG) during therapy including but not limited to:
  - cerebellar ataxias
  - corticobasal degeneration
  - dysautonomia with blood pressure and heart rate instability
  - history of a cerebrovascular accident (CVA) within the last three months
  - multisystem atrophy
  - normal pressure hydrocephalus (NPH)
  - Parkinson's disease
  - progressive motor neuron disease (e.g., spinal muscular atrophy, amyotrophic lateral sclerosis, primary lateral sclerosis)
  - progressive supranuclear palsy
  - severe traumatic brain injury within the last three months
  - spinal cord injury (e.g., paralysis, central cord syndrome) within last 12 months

**Physical therapy and occupational therapy services provided in an outpatient hospital site of care setting are considered not medically necessary for any other indication.**

## Health Equity Considerations

Health equity is the highest level of health for all people; health inequity is the avoidable difference in health status or distribution of health resources due to the social conditions in which people are born, grow, live, work, and age.

Social determinants of health are the conditions in the environment that affect a wide range of health, functioning, and quality of life outcomes and risks. Examples include safe housing, transportation, and neighborhoods; racism, discrimination and violence; education, job opportunities and income; access to nutritious foods and physical activity opportunities; access to clean air and water; and language and literacy skills.

## General Background

“Site of Care” refers to the location where a procedure or service is performed. The physical setting for the provision of physical therapy, is designed to provide a safe and accessible environment that facilitates fulfillment of the mission, purposes, goals, objectives, and scope of the physical therapy service. It should be appropriate for the number and type of patients and clients served and the equipment is safe and sufficient to achieve the purposes and goals of the physical therapy service (American Physical Therapy Association [APTA], 2019). **Level 5**

Physical therapy may be provided in various settings including hospital based outpatient, outpatient clinics/offices, acute care hospitals, inpatient rehabilitation facilities, long-term care facilities, virtual, and home. The choice of setting is dependent on the services and equipment that is being provided in the clinic or facility, along with the severity of the patient's condition. Hospital-based outpatient refers to medical services rendered in an on-site hospital operated outpatient clinic or other hospital affiliated clinic location. This is in contrast to freestanding clinics that are not hospital based or hospital affiliated. Physical therapy can usually be provided in a freestanding clinic/office setting. A need for specialized equipment or personnel may require therapy be provided in a hospital-based outpatient setting. Complex medical conditions may require the therapy be provided in hospital-based outpatient setting.

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## Use Outside of the US

No relevant information.

## Medicare Coverage Determinations

	Contractor	Determination Name/Number	Revision Effective Date
NCD		No National Coverage Determination found	
LCD		No Local Coverage Determination found	

Note: Please review the current Medicare Policy for the most up-to-date information.  
(NCD = National Coverage Determination; LCD = Local Coverage Determination)

## Coding Information

This Coverage Policy addresses the medical necessity of physical therapy and occupational therapy services for adult and pediatric patients provided in outpatient hospital setting.

[Occupational Therapy](#)

[Physical Therapy](#)

Place of Service	Description
19	Off Campus-Outpatient Hospital
22	On Campus-Outpatient Hospital

**\*Current Procedural Terminology (CPT®) ©2024 American Medical Association: Chicago, IL.**

## References

1. American Board of Physical Therapy Specialties. About the APTA specialist certification program – governed by ABPTS. Accessed Oct 21, 2024. Available at URL address: <https://specialization.apta.org/about-abpts>
2. American Physical Therapy association (APTA). Access to, admission to, and patient/client rights within physical therapy services. 2018. Accessed Oct 21, 2024. Available at URL address: <https://www.apta.org/apta-and-you/leadership-and-governance/policies/access-admission-patient-client-rights>
3. American Physical Therapy association (APTA). Guide to physical therapist practice 4.0. 2023. Accessed Oct 21, 2024. Available at URL address: <http://guidetoptpractice.apta.org/content/current>
4. American Physical Therapy Association (APTA). Physical therapists' role in prevention, wellness, fitness, health promotion, and management of disease and disability. 2019. Accessed Oct 21, 2024. Available at URL address: <https://www.apta.org/siteassets/pdfs/policies/pt-role-advocacy.pdf>
5. American Physical Therapy Association (APTA). Standards of practice for physical therapy. 2020. Accessed Oct 21, 2024. Available at URL address: <https://www.apta.org/apta-and-you/leadership-and-governance/policies/standards-of-practice-pt>

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6. Centers for Medicare & Medicaid Services (CMS). Medicare benefit policy manual. Chapter 15 – Covered medical and other health services. (Rev. 12599, 05-02-24). Accessed Oct 21, 2024. Available at URL address: <https://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/downloads/bp102c15.pdf>
7. Childs JD, Harman JS, Rodeghero JR, Horn M, George SZ. Implications of practice setting on clinical outcomes and efficiency of care in the delivery of physical therapy services. J Orthop Sports Phys Ther. 2014 Dec;44(12):955-63.
8. Shoemaker MJ, Dias KJ, Lefebvre KM, Heick JD, Collins SM. Physical Therapist Clinical Practice Guideline for the Management of Individuals With Heart Failure. Phys Ther. 2020 Jan 23;100(1):14-43.

### Revision Details

Type of Revision	Summary of Changes	Date
New Policy	N/A	10/1/2025

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