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## 1.0 Description of the Procedure, Product, or Service

### a. Functional Capacity Assessment

Functional capacity assessment is a comprehensive, objective testing of a recipient's abilities in work related functional tasks. At times, it is used as a preliminary test to determine functional status and capabilities prior to beginning a work hardening program.

### b. Work Hardening

Work hardening is a highly specialized rehabilitation program. It commonly begins following traditional rehabilitation therapies. Its goal is to simulate workplace activities and surroundings in a monitored environment to enable the recipient to return to work. These programs may be developed and carried out by an occupational therapist and/or a physical therapist. The goal is to create an environment in which returning workers can rebuild psychological self confidence and physical reconditioning by imitating their customary work routine.

## 2.0 Eligible Recipients

### 2.1 General Provisions

To be eligible, NCHC recipients must be enrolled on the date of service.

## 3.0 When the Procedure, Product, or Service Is Covered

### 3.1 General Criteria

NCHC covers procedures, products, and services related to this policy when they are medically necessary and

- a. the procedure, product, or service is individualized, specific, and consistent with symptoms or confirmed diagnosis of the illness or injury under treatment, and not in excess of the recipient's needs;
- b. the procedure, product, or service can be safely furnished, and no equally effective and more conservative or less costly treatment is available; **AND**
- c. the procedure, product, or service is furnished in a manner not primarily intended for the convenience of the recipient, the recipient's caretaker, or the provider.

### 3.2 Specific Criteria

- a. Functional capacity assessment is covered under the NC Health Choice Program when it is determined to be medically necessary because the following medical criteria are met. Benefits for functional capacity assessment are limited to situations that meet the following criteria:

1. The evaluation is designed to determine return to work capabilities following a defined injury or following a medically necessary rehabilitation;
  2. The evaluation is structured to answer a specific question or questions about the worker's performance abilities. The answer to the question(s) must be addressed in the evaluation report.
  3. Reported results must be compared to meaningful standardized norms; and
  4. The functional capacity performance must be performed by a qualified provider.
- b. NC Health Choice will not provide coverage for a work hardening program because it is not considered medically necessary. It is intended for the purpose of conditioning for return to work, rather than treatment for a medical condition. There are no criteria for coverage.

### **3.3 Medical Policy Guidelines**

- a. Benefits are limited to two (2) hours per date of service for functional capacity assessment.
- b. Functional capacity assessment is limited to one (1) assessment every 12 months. However, there may be cases that warrant a repeat functional capacity assessment in less than 12 months. These cases will be reviewed individually based on individual client/patient objective data compared to standardized norms..

## **4.0 When the Procedure, Product, or Service Is Not Covered**

### **4.1 General Criteria**

Procedures, products, and services related to this policy are not covered when

- a. the recipient does not meet the eligibility requirements listed in **Section 2.0**;
- b. the recipient does not meet the medical necessity criteria listed in **Section 3.0**;
- c. the procedure, product, or service unnecessarily duplicates another provider's procedure, product, or service; or
- d. the procedure, product, or service is experimental or investigational.

### **4.2 Specific Criteria**

- a. Functional capacity assessment is not covered in the following situations:
  1. when the criteria cited in **Subsection 3.2** are not met.
  2. for workers' compensation-related evaluations.
  3. when done solely for occupational evaluation without preceding injury or illness.
- b. Work hardening is not covered. It is not considered medically necessary because it is not intended to treat a medical condition.

## 5.0 Requirements for and Limitations on Coverage

### 5.1 Prior Approval

Prior approval is not required for functional capacity assessment or for work hardening if provided in a provider office or a hospital outpatient department. Home care requires prior approval.

## 6.0 Providers Eligible to Bill for the Procedure, Product, or Service

To be eligible to bill for procedures, products, and services related to this policy, providers shall

- a. meet NCHC qualifications for participation;
- b. be currently enrolled with NCHC; **AND**
- c. bill only for procedures, products, and services that are within the scope of their clinical practice, as defined by the appropriate licensing entity.

## 7.0 Additional Requirements

### 7.1 Compliance

Providers must comply with all applicable federal, state, and local laws and regulations, including the Health Insurance Portability and Accountability Act (HIPAA) and record retention requirements.

## 8.0 Policy Implementation/Revision Information

**Original Effective Date:** July 1, 2010

**Revision Information:**

Date	Section Revised	Change
July 1, 2010		Policy Conversion: Implementation of Session Law 2009-451, Section 10.32 <b>“NC HEALTH CHOICE/PROCEDURES FOR CHANGING MEDICAL POLICY.”</b>
September 30, 2011	Throughout	<b>Policy Termination Date</b>

## Attachment A: Claims-Related Information

Reimbursement for functional capacity assessment requires compliance with all NCHC guidelines.

As work hardening is non-covered, claims-related information is not applicable.

### A. Claim Type

Professional (CMS-1500/837P transaction)

Institutional (UB-04/837I transaction)

### B. Diagnosis Codes

Providers must bill the ICD-9-CM diagnosis codes(s) to the highest level of specificity that supports medical necessity.

### C. Procedure Code(s)

CPT Codes
97545 (not payable)
97546 (not payable)
97750

### D. Modifiers

Providers are required to follow applicable modifier guidelines.

### E. Billing Units

The appropriate procedure code(s) used determines the billing unit(s).

### F. Place of Service

Outpatient Hospital, Office

### G. Co-payments

Co-payment(s) may apply to covered prescription drugs and services.

### H. Reimbursement

Reimbursement is limited to two (2) hours per date of service and one (1) service per year.