

Billing Guidance for Habilitative versus Rehabilitative Therapies

This notification will serve as guidance to properly submit therapies to the proper payer to receive payment in a timely and accurate manner. We will describe how claims for Habilitative and Rehabilitative Therapies should be reported using the appropriate modifiers.

Habilitative Therapies help a person learn, keep or improve skills and functioning for daily living. Rehabilitative Therapies are necessary after an illness or injury to help a person restore, keep or improve skills and functioning for daily living.

The same CPT/HCPCS codes may be utilized for both Habilitative and Rehabilitative Therapies, modifiers 96 and 97 were developed to help differentiate which service is being billed.

Definitions	
Habilitative Therapy	Habilitative Therapy helps an individual learn skills and functioning for daily living that the individual has not yet developed and then keep and/or improve those learned skills.
Rehabilitative Therapy	Rehabilitative Therapy helps an individual keep, get back or improve skills and functioning for daily living that have been lost or impaired because the individual was sick, hurt or disabled.
Modifier 96	CPT modifier for use with codes reported to identify therapies provided to teach patients new skills needed for functions of daily living. These types of therapies performed are considered habilitative in nature.
Modifier 97	CPT modifier for use with codes reported to identify therapies provided to reteach a patient skill needed for functions of daily living that have been lost. These types of therapies performed are considered rehabilitative in nature.

Additional Guidance

- Claims for Habilitative Therapies should be billed with the appropriate CPT/HCPCS Code and Modifier 96 to identify Habilitative Therapies.
- Claims for Rehabilitative Therapies should be billed with the appropriate CPT/HCPCS Code Modifier 97 to identify Rehabilitative Therapies.
- Claims for Habilitative and Rehabilitative Therapies should not be billed with the combination of 96 and 97 modifiers on the same claim.
- Claim lines for Habilitative and Rehabilitative Therapies billed without the 96 or 97 modifier or billed with the 96 and 97 modifiers on the same claim line will be rejected as incorrect coding.
- Ensure documentation clearly supports the clinical intent (Habilitative versus Rehabilitative).