Florida Blue
Your local Blue Cross Blue Shield

**May 2023**

# Habilitation Vs. Rehabilitation Services:

## Understanding the Differences and How to Bill Helps Avoid Adverse Impacts to Your Patients' Coverage

Federal regulations[1] require Individual Under 65 (IU65) and Small Group health plans to provide their members separate visit limits for habilitative and rehabilitative services. The information below will help you differentiate these services and add the appropriate modifier that follows the CPT code on a claim.

### The Difference Between Habilitative and Rehabilitative Services

- **Habilitative services** help a person keep, learn, or improve skills and functioning for daily *living not yet* ***developed***. This involves learning something new.
  - Example: Therapy for a child who is not walking or talking at the expected age.
- **Rehabilitative services** help a person keep, get back, or improve skills and functioning for daily living *that* ***were lost or impaired*** *due to an illness or injury such as a car accident or stroke.*
  - Example: Therapy to help a person from a stroke re-learn how to groom and dress.

### How to Submit a Claim for Habilitation and Rehabilitation Services

On January 1, 2018, the Centers for Medicare and Medicaid Services (CMS) introduced modifiers 96 and 97 to replace the SZ modifier. The SZ modifier was previously used after a CPT code to indicate habilitative services. Modifiers 96 and 97 help track and enforce the separate visit limits for habilitative and rehabilitative services.

When submitting claims for habilitation and rehabilitation services for your Florida Blue IU65 and Small Group covered patients, please include:

- **Modifier 96** following the CPT code to identify **habilitative** services or procedures
- **Modifier 97** following the CPT code to identify **rehabilitative** services or procedures
- A description of your services to either help a patient **learn something new** or **relearn something lost** (including this documentation will support the appropriate modifier and better explain the patient's circumstances.)

When your claim for habilitative or rehabilitative services does not include a modifier, your patient could receive adverse impacts to their coverage. **For example,** if you bill autism therapy without the modifier, the claim identifies as a rehabilitative service. An autism diagnosis is habilitative and should include modifier 96. Otherwise, your patient's allocated rehabilitative visits would be incorrectly used.

Thank you for remembering to include the correct modifier following the CPT code in your IU65 and Small Group plan occupational, physical, and speech therapy claims.

[1]Does not apply to self-funded small group, large group, and grandfathered health plans. Additionally, Medicare or traditional Medicaid are excluded from this requirement.
https://www.aota.org/advocacy/advocacy-news/2018/new-coding-requirement-for-billing-habilitative-rehabilitative-services
https://www.webpt.com/blog/billing-for-habilitation-vs-rehabilitation-services-what-pts-ots-and-slps-need-to-know/