

Modifiers CO & CQ - Therapy Assistant Services

Last Updated: 2/6/2025

Last Reviewed: 2/12/2025

Originally Effective: 1/1/2022

Last update includes payment policy changes, subject to 28 TAC §3.3703(a)(20)(D)? No

If yes, Texas Last Update Effective Date: n/a

Policy #: RPM077

Scope

Companies: Moda Partners, Inc. and its subsidiaries & affiliates (All)

Provider Contract Status: Any

Claim Forms: CMS1500 & CMS1450 (paper and electronic versions)

Claim Dates: Details below

Reimbursement Guidelines

A. General

We follow Medicare (CMS) policy for physical therapy assistant (PTA) or occupational therapy assistant (OTA) services. All services furnished in whole or in part by a PTA or OTA are required to be billed with modifier CQ and CO, respectively.

B. Reimbursement Adjustments

1. Effective for dates of service 1/1/2022 and following, payment for PTA/OTA services is at 85 percent of the otherwise applicable payment amount/rate for the service.
2. Additional adjustments for multiple therapy reduction rules (procedure codes with a multiple procedure indicator of "5") may also apply on the line item.^B

C. Requirements & Guidelines for Modifiers CO & CQ

1. Concurrent Services.
Portions of services provided by the PTA/OTA together with the physical therapist (PT) or occupational therapist (OT) are counted as services provided by the PT or OT.¹
2. Modifier requirements apply to each unit.
 - a. Modifiers CO and CQ apply at the level of each unit of each therapy service procedure code billed.
 - b. For timed therapy services, if the therapy time supports multiple units of the same code, modifiers CO/CQ may be required on some units and not on others, depending upon how much of a timed therapy service was provided by the PTA/OTA independently of the PT/OT and how much was provided either concurrently with both providers or by the PT/OT alone.
3. Services are furnished in whole or in part by a PTA or OTA when:
 - a. The PTA/OTA furnishes all of the minutes of a service independent of the respective physical therapist (PT) or occupational therapist (OT).
 - b. The PTA/OTA furnishes more than 10% of the minutes of a service independent of the respective physical therapist (PT) or occupational therapist (OT).
This 10 percent standard is also known as the de minimis standard – it was finalized during calendar year (CY) 2020 Physician Fee Schedule (PFS) rulemaking, and its non-application to certain billing scenarios was revised in the CY 2022 final rule.
 - c. Exceptions.
Two exceptions were established with CY 2022 rulemaking for modifiers CO and CQ.
 - i. When only one final 15-minute procedure code unit left to bill and the PT/OT furnishes 8 or more minutes (the Medicare "8-minute rule" billing requirement for that final 15-minute service unit) – that final unit is billed without the CQ/CO modifier because the PT/OT provided enough minutes on their own (more than half) to report the service.

- ii. When there are two units of the same service remaining to be billed, and the PT/OT and the PTA/OTA each furnish between 9 and 14 minutes of a 15-minute timed service where the total time of therapy services furnished in combination by the PTA/OTA and PT/OT is at least 23 but no more than 28 minutes, one unit of the service is billed with the CQ/CO modifier (for the unit furnished by the PTA/OTA) and one unit is billed without it (for the unit furnished by the PT/OT).

For more details about these exceptions and for specific billing scenario examples, see the CMS website [“Billing Examples Using CQ/CO Modifiers for Services Furnished In Whole or In Part by PTAs and OTAs.”](#)²

- 4. Combine properly with therapy plan of care modifiers.²
 - a. The CQ modifier must be reported with the GP therapy modifier.
 - b. The CO modifier with the GO therapy modifier.
 - c. Violations of these requirements may result in denials that require corrected claims.
- 5. Provider types.²
 - a. Modifiers CO and CQ apply to:
 - i. All professional providers (for which CMS payment is made under section 1848, aka PFS).
 - ii. Institutional providers (for which CMS payment is made under section 1834(k) of the Social Security Act). This includes:
 - 1) Outpatient hospitals.
 - 2) Rehabilitation agencies.
 - 3) Skilled nursing facilities.
 - 4) Home health agencies.
 - 5) Comprehensive outpatient rehabilitation facilities (CORFs).
 - b. Modifiers CO and CQ do not apply to Critical Access Hospitals (CAH).
 - c. If other providers believe they are not subject to the modifier CO & CQ requirements, they will need to file a written appeal and provide CMS documentation to support that CMS does not pay their provider type for outpatient therapy services under the PFS or section 1834(k) of the Act.

D. Example Scenarios

For example scenarios for use of modifiers CO & CQ, please see [“Billing Examples Using CQ/CO Modifiers for Services Furnished In Whole or In Part by PTAs and OTAs.”](#)²

Definitions

Acronyms/Abbreviations

Acronym	Definition
AMA	American Medical Association
BBA	Balanced Budget Act, Bipartisan Budget Act
CAH	Critical Access Hospital
CCI	Correct Coding Initiative (see “NCCI”)
CMS	Centers for Medicare and Medicaid Services
CORF	Comprehensive Outpatient Rehabilitation Facility
CPT	Current Procedural Terminology
CY	Calendar Year
HCPCS	Healthcare Common Procedure Coding System (acronym often pronounced as "hick picks")
HIPAA	Health Insurance Portability and Accountability Act
MUE	Medically Unlikely Edits

Acronym	Definition
NCCI	National Correct Coding Initiative (aka "CCI")
OT	Occupational Therapy, Occupational Therapist
OTA	Occupational Therapy Assistant
PT	Physical Therapy, Physical Therapist
PTA	Physical Therapy Assistant
PTP	Procedure-To-Procedure (a type of CCI edit)
RPM	Reimbursement Policy Manual (e.g., in context of "RPM052" policy number, etc.)

Definition of Terms

Term	Definition
<i>De Minimis</i> Standard	Portions of a service furnished by the PTA/OTA independent of the physical therapist/ occupational therapist (PT/OT), as applicable, that do not exceed 10 percent of the total service are not subject to the payment reduction; while portions of a service furnished by the PTA/OTA independent of the therapist that exceed 10 percent of the total service, or unit of service, must be reported with the CQ/CO modifier, alongside of the corresponding GP/GO therapy modifier. ¹

Modifier Definitions

Modifier	Modifier Description & Definition
GO	Services delivered under an outpatient occupational therapy plan of care
GP	Services delivered under an outpatient physical therapy plan of care
CO	Outpatient occupational therapy services furnished in whole or in part by an occupational therapy assistant
CQ	Outpatient physical therapy services furnished in whole or in part by a physical therapist assistant

Related Policies

- A. ["Moda Health Reimbursement Policy Overview."](#) Moda Health Reimbursement Policy Manual, RPM001.
- B. ["Modifier 51 - Multiple Procedure Fee Reductions."](#) Moda Health Reimbursement Policy Manual, RPM022.

Resources

1. CMS. "Therapy Services." Centers for Medicare and Medicaid Services (CMS). Last modified November 11, 2021. Last accessed November 29, 2021. <https://www.cms.gov/Medicare/Billing/TherapyServices> .
2. CMS. "Billing Examples Using CQ/CO Modifiers for Services Furnished In Whole or In Part by PTAs and OTAs." Centers for Medicare and Medicaid Services (CMS). Last modified November 11, 2021. Last accessed November 29, 2021. <https://www.cms.gov/medicare/therapy-services/billing-examples-using-cqco-modifiers-services-furnished-whole-or-part-ptas-and-otas> .
3. AOTA. "Occupational Therapy Assistant Modifier Required in 2020." American Occupational Therapy Association. Last accessed November 29, 2021. <https://www.aota.org/Advocacy-Policy/Federal-Reg-Affairs/Coding/2020-OTA-Payment-Modifier-Requirement.aspx> .
4. CMS. "Reduced Payment for Physical Therapy and Occupational Therapy Services Furnished In Whole or In Part by a Physical Therapist Assistant (PTA) or Occupational Therapy Assistant (OTA)." CMS Transmittal 11129/CR12397. November 22, 2021. Last accessed November 30, 2021. <https://www.cms.gov/files/document/r11129cp.pdf> .

Policy History

Reminder: The most current version of our reimbursement policies can be found on our provider website. If you are using a printed or saved electronic version of this policy, please verify the current information by going to:

https://www.modahealth.com/medical/policies_reimburse.shtml

Date	Summary of Update
2/12/2025	Related Policies updated. Formatting updates. No policy changes
3/13/2024	Title of Policy reworded. Acronyms updated. No policy changes.
10/12/2022	Idaho added to Scope. Formatting updates. No policy changes.
12/25/2021	Policy document initially approved by the Reimbursement Administrative Policy Review Committee & initial publication.
1/1/2022	Original Effective Date (with or without formal documentation). Policy based on CMS policy for modifiers CO & CQ.