



# Medicare 2026 Therapy Services Update: Key Changes and What Providers Need to Know

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The Centers for Medicare & Medicaid Services (CMS) has introduced several important updates to therapy services for calendar year (CY) 2026. These changes affect reimbursement thresholds, telehealth services, coding practices, and payment reductions. Providers—including physical therapists (PTs), occupational therapists (OTs), and speech-language pathologists (SLPs)—should understand these updates to ensure compliance and optimize billing practices.

One of the most notable updates is the adjustment of the KX modifier threshold. For CY 2026, the threshold amount has been set at \$2,480. The KX modifier is used to indicate that therapy services exceeding this threshold are medically necessary and meet Medicare coverage criteria. This adjustment reflects ongoing efforts by CMS to balance cost control with patient access to necessary therapy services. Providers must continue to maintain proper documentation to justify services that surpass this financial limit.

### Therapy-Related Codes

CMS has also expanded the list of therapy-related codes, particularly around remote therapeutic monitoring (RTM). Three new codes—98979, 98984, and 98985—have been added to the CY 2026 Physician Fee Schedule as services that may qualify as therapy services under certain circumstances. These additions highlight the growing role of digital health and remote care in modern healthcare delivery.

In addition, existing RTM codes 98976 and 98977 have updated descriptors, which may impact how therapists report and bill for these services. Accurate coding is essential,

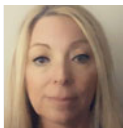
as improper use could lead to claim denials or compliance issues affecting reimbursement.

Telehealth services continue to be a major focus in 2026. Under Section 6209 of the Consolidated Appropriations Act 2026, therapists are permitted to provide telehealth services—including telephone assessment and management services (codes 98966–98968)—through December 31, 2027. This extension ensures continued access to care for patients who may face barriers to in-person visits, such as those in rural or underserved areas. CMS has also streamlined guidance related to virtual service delivery by removing outdated or redundant legislative references, making it easier for providers to navigate current policy.

Another key component of the update is the continued application of the Multiple Procedure Payment Reduction (MPPR). Medicare applies MPPR to the practice expense portion of certain “always therapy” services. Since April 1, 2013, the reduction rate has remained at 50% for both office-based and institutional settings. Under this policy, the therapy service with the highest practice expense relative value unit is reimbursed at 100%, while subsequent services performed on the same day are reimbursed at 50%. This policy is intended to reflect efficiencies when multiple services are delivered during a single patient encounter.

The CY 2026 MPPR Rate File has also been updated, most recently on February 24, 2026, to include code 97026. Providers should review this file to ensure accurate billing and reimbursement expectations for affected services.

Overall, the 2026 updates emphasize modernization, particularly through the integration of remote monitoring and telehealth services, while maintaining cost-control measures like the MPPR. Staying informed and adapting to these changes will be essential for therapy providers aiming to deliver high-quality care while remaining compliant with Medicare requirements. ■



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