

PHYSICAL THERAPY BILLING GUIDE

Mastering the 8-Minute Rule, KX Modifiers, and Cap Exceptions

PHYSICAL & OCCUPATIONAL THERAPY BILLING

Therapy billing relies heavily on time-based treatments and direct interaction codes. Clear logs are necessary to withstand frequent payer insurance audits.

THE MEDICARE 8-MINUTE RULE ALLOCATION

To bill one unit of a time-based physical therapy code (e.g., therapeutic exercise 97110 or manual therapy 97140), you must provide direct one-on-one treatment for at least 8 minutes. The total combined minutes spent on time-based codes determines how many units you can bill each day:

TOTAL DIRECT TREATMENT MINUTES	MAXIMUM BILLABLE UNITS	COMPLIANT CALCULATION LOGIC
0 – 7 Minutes	0 Units	Does not meet the mandatory 8-minute minimum threshold. Non-billable.
8 – 22 Minutes	1 Unit	Minimum time reached to qualify for a single unit.
23 – 37 Minutes	2 Units	Covers a full 15-minute unit plus an extra 8-minute chunk.
38 – 52 Minutes	3 Units	Combined time allows for three separate units.
53 – 67 Minutes	4 Units	Four separate direct-contact units allowed.

THE KX MODIFIER EXCEPTION RULE

When a patient's total annual therapy costs exceed the government's financial threshold limit, you must append the ****KX Modifier**** to subsequent claim lines. This modifier certifies that continuing care is medically necessary and fully documented in the patient's ongoing therapy plan.