

Payment Policies for Healthcare Services

Provided to Injured Workers and Crime Victims

Update – Chapter 25: Physical Medicine Services

Work Rehabilitation

Effective February 2, 2024

The following policy replaces the Work Hardening payment policy in Chapter 25:



Payment policy: Work rehabilitation (WR)

General information

Work rehabilitation (WR) is a special individualized program to assist a worker in meeting the demands of a specific job using progressive exercise, work simulation tasks, and education. It consists of two intensity levels: work rehabilitation – conditioning (WRC) and work rehabilitation – hardening (WRH).

For general program details, visit our [work rehabilitation website](#). You can also find specific information about the program in our [work rehabilitation standards](#).

Prior authorization

Initial evaluations

Initial evaluations for work rehabilitation program eligibility don't require prior authorization.

Work rehabilitation programs

Work rehabilitation programs require a referral from the worker's attending provider (AP). For State Fund, utilization review (UR) is also required. For self-insurance, the self-insured employer's representative grants prior authorization.

Additional services

Providing separate and additional rehabilitation outpatient physical therapy (PT) or occupational therapy (OT) services to the worker while they're participating in a work rehabilitation program is atypical and must be authorized by the insurer. Documentation must support the clinical necessity of additional services.

Program extensions

The insurer must authorize program extensions in advance. Extensions are based on documentation of progress and the worker's ability to benefit from a program extension. Program extensions apply to **1023M**, **1024M**, **97545**, and **97546**. To request a program extension:

- For State Fund claims, use Secure Access Washington (SAW) to email therapy@lni.wa.gov. Do not send confidential worker information via email. You may also fax the Therapy Services unit at **360-902-5035**.
- For self-insured claims, contact the self-insured employer or their representative.

Who must perform these services to qualify for payment

Only L&I-approved work rehabilitation providers will be paid for work rehabilitation services.



Link: Visit our website to apply to [become a work rehabilitation provider](#).

Services that can be billed

Work rehabilitation evaluation

Service	Code	Details
WR evaluation	1001M	Work rehabilitation – evaluation and plan of care. 1 unit = 1 hour Doesn't require prior authorization.

Work rehabilitation – conditioning (WRC)

Service	Code	Details
WRC program, first 2 hours	1023M	Work rehabilitation – conditioning, first 2 hours of treatment per day. 1 unit = 1 hour Requires prior authorization . A minimum of 2 hours of treatment per day (2 units) is required; see below for details.
WRC program, each additional hour	1024M	Work rehabilitation – conditioning, each additional hour of treatment per day. 1 unit = 1 hour Requires prior authorization .

Work rehabilitation – hardening (WRH)

Service	Code	Details
WRH program, first 2 hours	97545	Work rehabilitation – hardening, first 2 hours of treatment per day. 1 unit = 2 hours Requires prior authorization . A minimum of 2 hours of treatment per day (1 unit) is required; see below for details.
WRH program, each additional hour	97546	Work rehabilitation – hardening, each additional hour of treatment per day. 1 unit = 1 hour Requires prior authorization .

Requirements for billing**Billing portions of an hour using 1001M**

Each unit of **1001M** equals 1 hour of evaluation services. If the worker completes less than 38 minutes of a given hour, round down to the nearest whole number unit. If the worker completes 38 or more minutes, round up to the nearest whole number unit. For example, if the worker is evaluated for 2 hours and 47 minutes, the provider would bill 3 units of **1001M**.

Billing less than 2 hours of treatment in a day with CPT® 97545 or 1023M

Services provided for less than 2 hours of total program time (2 units of **1023M** or 1 unit of **97545**) on any day don't meet the work rehabilitation program standards and can't be billed using WR codes. The services must be billed with other physical medicine codes. Failure to complete at least 2 hours of a WR program should be counted as an absence when determining worker compliance with the program.

Billing portions of an additional hour using CPT® 97546 or 1024M

After completion of the requirements for **97545** or **1023M**, each additional hour is billed using **97546** or local code **1024M**. A full hour is billed as 1 unit at your usual and customary rate, but if the worker completes less than 38 minutes of an hour of program work:

- The charged amount for the incomplete hour of service must be prorated, *and*
- You must bill a line of **97546** or **1024M** at the prorated rate with modifier **-52**.

Example: Worker completes 4 hours and 25 minutes of WRH treatment. Billing for that date of service would include 3 lines:

Code	Modifier	Charged amount	Units
97545		Usual and customary	1
97546		Usual and customary	2
97546	-52	42% of usual and customary (completed 25 of 60 minutes)	1

Billing for services in multidisciplinary programs

Each provider must bill for the number of hours they perform. Both PT and OT providers may bill for the same date of service.

Examples of billing for services in multidisciplinary programs

Example 1: Standard treatment (Work rehab – Hardening)

Scenario: The OT performs treatment that lasts 4 hours. On the same day, the worker is also treated by the PT for 2 hours.

The providers could bill for the 6 hours of services in the following ways:

Billing example A		
PT:	1 unit 97545	2 hours
OT:	4 units 97546	4 hours
Total hours billed:	6 hours	

Billing example B		
PT:	2 units 97546	2 hours
OT:	1 unit 97545	2 hours
	+	
	2 units 97546	2 hours
Total hours billed:	6 hours	

Example 2: Standard treatment (Work rehab – Conditioning)

Scenario: The OT performs 1 hour of treatment for a worker. A PT provider then performs an additional 2 hours of treatment.

The providers could bill for the 3 hours of services in the following ways:

Billing example A		
PT:	1 unit 1023M	1 hour
	+	
	1 unit 1024M	1 hour
OT:	1 unit 1023M	1 hour
Total hours billed:	3 hours	

Billing example B		
PT:	2 units 1023M	2 hours
OT:	1 unit 1024M	1 hour
Total hours billed:	3 hours	

Example 3: Reduced treatment hours (Work rehab – Conditioning)

Scenario: The PT performs 2 hours of treatment with the worker. The OT performs an additional 1.5 hours of treatment.

The providers could bill for the 3.5 hours of services in the following ways:

Billing example A		
PT:	2 units 1023M	2 hours
OT:	1 unit 1024M	1 hour
	1 unit 1024M (prorated) with modifier -52	30 minutes
Total hours billed:	3.5 hours	

Billing example B		
PT:	1 unit 1023M	1 hour
	1 unit 1024M	1 hour
OT:	1 unit 1023M	1 hour
	1 unit 1024M (prorated) with modifier -52	30 minutes
Total hours billed:	3.5 hours	

Documentation requirements

Documentation for both WRC and WRH must meet the requirements listed in the [Work Rehabilitation Standards](#). For additional documentation requirements, see [Chapter 2: Information for All Providers](#).

If a worker fails to complete the minimum treatment duration for WRC or WRH on a given day, this should be documented as an absence from the program for that day. Services will need to be billed using other CPT® physical medicine codes; billing and documentation requirements for these codes can be found in [Chapter 25: Physical Medicine Services](#).

Payment limits

Providers may only bill for the time that services are performed in the presence of the worker. The reimbursement rates of CPT® **97545** and **97546** and local codes **1023M** and **1024M** account for the fact that some work occurs outside of the time the worker is present (for example, creation of the initial plan of care or documentation of worker progress).

Code	Description	Daily unit limit	Program unit limit	Notes
1001M	Evaluation	None	6 units	
1023M	Work conditioning, first 2 hours	2 units (2 hours)	80 units	Minimum of 2 units per day.
1024M	Work conditioning, each additional hour	2 units (2 hours)	80 units	Add-on code. Won't be paid as a standalone procedure. Must be billed with 1023M .
97545	Work hardening program, first 2 hours	1 unit (2 hours)	40 units	Minimum of 1 unit per day.
97546	Work hardening, each additional hour	6 units (6 hours)	240 units	Add-on code. Won't be paid as a standalone procedure. Must be billed with CPT® 97545 .

The following text is deleted from Chapter 25:**Work conditioning: Guidelines**

- ~~**Frequency:** At least 3 times per week and no more than 5 times per week.~~
- ~~**Duration:** No more than 8 weeks for 1 set. 1 set equals up to 20 visits.
 - ~~An additional 10 visits may be approved after review of progress.~~~~
- ~~**Plan of Care:** Goals are related to:
 - ~~Increasing physical capacities, and~~
 - ~~Return to work function, and~~
 - ~~Establishing a home program allowing the worker to progress and/or maintain function after discharge.~~~~
- ~~**Documentation:** Besides standard documentation, the plan of care and progress report must include return to work capacities, which may include lifting, carrying, pushing, pulling, sitting, standing, and walking tolerances.~~
- ~~**Treatment:** May be provided by a single therapy discipline (PT or OT) or combination of both (PT and OT).
 - ~~PT and OT visits accumulate separately and both are allowed on the same date of service.~~
 - ~~Billing reflects active treatment. Examples include CPT® [97110](#), [97112](#), [97530](#), [97535](#), and [97537](#).~~~~
- ~~**Billing:** Work conditioning programs are reimbursed as outpatient PT and OT under the daily fee cap.~~