

FAQ: Habilitation vs. Rehabilitation

What is the difference between Rehabilitation and Habilitation?

Rehabilitation, habilitation services and devices were included in the essential benefits package because they are consistent with the Affordable Care Act's focus on value, namely, achieving better outcomes at less overall cost.

The outcomes of rehabilitation and habilitation services and devices are consistent with core American values because they enable people to:

- Maximize independence in the least restrictive environment;
- Live active and productive lifestyles that embrace family, work, education, and community; and
- Avert medical complications and minimize hospital readmissions.

These outcomes are important to individuals, families, and society. By promoting these outcomes, overall health care costs can be reduced, and thus provide significant value to American taxpayers.

Rehabilitation – is the term used to describe services for regaining lost skills or functioning.

Habilitation Habilitative services help a person keep, learn, or improve skills and functioning for daily living. In contrast, rehabilitative services help a person keep, get back, or improve skills and functioning for daily living that have been lost or impaired because a person was sick, hurt, or disabled.

Habilitative and rehabilitative services can involve the same services, provided in the same setting, to address the same functional deficits and achieve the same outcomes; the difference is whether they involve learning something new or relearning something that has been lost or impaired. Documentation for habilitation services should clearly convey that the service is helping to learn something new.

What determines if a service is habilitative or rehabilitative?

Rehabilitation services help a person keep, get back, or improve skills and functioning for daily living that have been lost or impaired because a person was sick, hurt, or disabled. Examples include a car accident or stroke. These services may include physical therapy, occupational therapy, speech-language pathology, and psychiatric rehabilitation in a variety of inpatient and/or outpatient settings.

Rehabilitation refers to reestablishing skills that were acquired at the appropriate age but have been lost or impaired.

Habilitation services help a person keep, learn, or improve skills and functioning for daily

living. Examples include therapy for a child who isn't walking or talking at the expected age. These services may include physical therapy, occupational therapy, speech-language pathology, and other services for people with disabilities in a variety of inpatient and/or outpatient settings.

Habilitation describes services designed to establish skills that have not yet been acquired at an age- appropriate level. Treatment is provided to facilitate the acquisition of skills through the normal developmental sequence.

Can I provide habilitation and rehabilitation using the same treatment goals?

No. The treatments should have different goals. This will help clarify to payers that the nature of the services are different even if the same interventions are used. Habilitative goals must focus on providing a client with new skills, abilities, or functions. Rehabilitation must focus on restoration of previous functional abilities.

Does every ACA-compliant plan use the SZ modifier to distinguish habilitative services?

Each plan may have its own system for implementing and tracking visits. Providers need to check with each ACA- compliant health plan for specific details, including which providers are required to report habilitative services and if the plan uses the SZ modifier.

What is it?

These are services that help a person learn, keep, or improve skills and functional abilities that they may not be developing normally.

If you look closely at coverage descriptions for many insurance plans, you'll likely see language specifying that services like physical therapy or speech-language pathology will be provided when skills have been lost due to illness or injury. This language automatically restricts payment for services to those who haven't had a stroke or suffered an illness, including most children who don't have a specific diagnosis underlying their speech, language, swallowing, or hearing problems.

Habilitation is getting national attention right now due to the implementation of the health care reform law. Part of the law stipulates that insurance plans offered through the state exchanges and Medicaid programs must provide services in 10 categories of essential health benefits (EHBs), including the category of rehabilitation and habilitation services and devices.

How do you code for it?

The CPT codes are the same, the SZ modifier is used following the CPT code to indicate services provided as habilitative. Consider getting in writing, from the insurance company, that they are allowing you to continue rehab services under the habilitative plan as they would not typically qualify.

Where to get more information?

You can read more here: <https://www.aota.org/Advocacy-Policy/Health-Care-Reform/News/2016/New-Coding-Requirement-for-Billing-Habilitative-Services.aspx>

<https://nationaldisabilitynavigator.org/ndnrc-materials/fact-sheets/fact-sheet-4/>

Where can I find more information?

APTA Essential Health Benefits Resources

Determining an Essential Benefits Plan for Rehabilitation and Habilitation Services and Devices: A Value- Based Approach (.pdf)

KHN Article: Private Insurers Could Dampen Access to Habilitative Services PT in Motion News (January 14, 2014)