

Release Date: December 1, 2017

Release: Enforcement Instruction on Supervision Requirements for Outpatient Therapeutic Services in Critical Access Hospitals and Small Rural Hospitals

Beginning in 2010 the Centers for Medicare & Medicaid Services (CMS) instructed its contractors not to evaluate or enforce the supervision requirements for therapeutic services provided to outpatients in Critical Access Hospitals. CMS extended this instruction for 2011 and expanded it to include small rural hospitals with 100 or fewer beds beginning in 2011. For purposes of this notice, CMS defines “small rural hospitals” as hospitals with 100 or fewer beds that are geographically located in a rural area or that are paid under the hospital outpatient prospective payment system with a rural wage index. The moratorium on this enforcement instruction has been extended several times and had been previously extended through 2016.

The CY 2018 OP/ASC final rule with comment period re-establishes the enforcement instruction beginning on January 1, 2018 and extends the instruction through December 31, 2019.

While there is not an enforcement instruction in place during CY 2017 directing contractors not to enforce direct supervision requirements for outpatient therapeutic services furnished in CAHs and small rural hospitals, CMS’s limited audit and enforcement resources are being directed toward other, higher priority matters during the year.