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Release: CMS Will Not Enforce Supervision Requirements for Outpatient Therapeutic Services in Critical Access and Small Rural Hospitals for CY 2010-2011

On March 15, 2010, the Centers for Medicare & Medicaid Services (CMS) instructed all of its Medicare contractors not to evaluate or enforce the supervision requirements for therapeutic services provided to outpatients in Critical Access Hospitals (CAHs) from January 1, 2010 to December 31, 2010, until the agency could revisit the supervision policy during the CY 2011 rulemaking cycle. CMS now is extending this notice of non-enforcement for CAHs through CY 2011 and also is expanding it to apply to other small rural hospitals through the CY 2012 rulemaking cycle, as we continue to develop final supervision policies. For purposes of this notice, CMS is defining “small rural hospitals” as hospitals geographically located in a rural area or are paid under the hospital outpatient prospective payment system with a rural wage index that have 100 or fewer beds.

CMS continues to expect the hospitals covered under this notice to fulfill all other Medicare program requirements when providing services to Medicare beneficiaries and when billing Medicare for those services. While CMS is instructing contractors not to enforce the supervision requirements in these hospitals for CY 2010-2011, we continue to emphasize quality and safety for services provided to all patients in these facilities.