

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-1505-N]

**Medicare Program; Criteria for Medicare Coverage of Inpatient
Hospital Rehabilitation Services**

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Rescission of Ruling.

SUMMARY: This notice rescinds HCFA Ruling 85-2, "Medicare Criteria for Coverage of Inpatient Hospital Rehabilitation Services," 50 FR 31040 (July 31, 1985), as corrected at 50 FR 32643 (Aug. 13, 1985) which established the criteria for Medicare coverage of inpatient hospital rehabilitation services.

EFFECTIVE DATE: This notice is effective on January 1, 2010.

FOR FURTHER INFORMATION CONTACT:

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SUPPLEMENTARY INFORMATION:

I. Background

The criteria for Medicare coverage of inpatient hospital rehabilitation services set forth in HCFA Ruling 85-2 (HCFAR-85-2) were developed more than 25 years ago, and were designed to provide coverage criteria for a small subset of providers furnishing intensive and complex therapy services in a fee-for-service environment to a small segment of patients whose rehabilitation needs could only be safely furnished at a

hospital level of care. In the final rule implementing the Inpatient Rehabilitation Facility Prospective Payment System for Federal FY 2010, published August 7, 2009 in the **Federal Register** (74 FR 39762), we adopted inpatient rehabilitation facility (IRF) coverage requirements and technical revisions to certain other IRF requirements to reflect the changes that have occurred in medical practice during the past 25 years. The new IRF coverage requirements adopted in the final rule are effective for IRF discharges occurring on or after January 1, 2010. As discussed the final rule (74 FR 39762, at 39797), we anticipate that these new coverage requirements will be further interpreted by new manual provisions in Chapter 1, Section 110 of the Medicare Benefit Policy Manual that will also go into effect on January 1, 2010. Thus, HCFAR 85-2 (and the current manual provisions, rev. 1, effective October 1, 2003) will continue to apply for all IRF discharges that occur prior to January 1, 2010.

II. Provisions of the Notice

Effective January 1, 2010, this notice rescinds HCFAR 85-2 published in the **Federal Register** on July 31, 1985 (50 FR 31040).

III. Collection of Information Requirements

This document does not impose information collection and recordkeeping requirements. Consequently, it need not be

reviewed by the Office of Management and Budget under the authority of the Paperwork Reduction Act of 1995.

Authority: Sections 1812, 1814, 1861 and 1862 of the Social Security Act (42 U.S.C. 1395d, 1395f, and 1395x, and 1395y). (Catalog of Federal Domestic Assistance Program No. 93.773 Medicare--Hospital Insurance Program; and No. 93.774, Medicare--Supplementary Medical Insurance Program)

Dated: September 24, 2009

Charlene Frizzera,

Acting Administrator,

Centers for Medicare & Medicaid
Services.

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