Inpatient Rehabilitation Facility (IRF) Services

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Medicare Link(s) Revised: 06/01/2023

**IMPORTANT REMINDER**

The Medicare Advantage Medical Policy manual is not intended to override the member Evidence of Coverage (EOC), which defines the insured’s benefits, nor is it intended to dictate how providers are to practice medicine. Physicians and other health care providers are expected to exercise their medical judgment in providing the most appropriate care for the individual member, including care that may be both medically reasonable and necessary.

The Medicare Advantage medical policies are designed to provide guidance regarding the decision-making process for the coverage or non-coverage of services or procedures in accordance with the member EOC and Centers of Medicare and Medicaid Services (CMS) policies and manuals, along with general CMS rules and regulations. In the event of a conflict, applicable CMS policy or EOC language will take precedence over the Medicare Advantage Medical Policy. In the absence of a specific CMS coverage determination for a requested service, item or procedure, the health plan may apply CMS regulations, as well as their Medical Policy Manual or other applicable utilization management vendor criteria developed with an objective, evidence-based process using scientific evidence, current generally accepted standards of medical practice, and authoritative clinical practice guidelines.

Some services or items may appear to be medically indicated for an individual, but may be a direct exclusion of Medicare or the member’s benefit plan. Medicare and member EOCs exclude from coverage, among other things, services or procedures considered to be investigational (experimental) or cosmetic, as well as services or items considered not medically reasonable and necessary under Title XVIII of the Social Security Act, §1862(a)(1)(A). In some cases, providers may bill members for these non-covered services or procedures. Providers are encouraged to inform members in advance when they may be financially responsible for the cost of non-covered or excluded services. Members, their appointed representative, or a treating provider can request coverage of a service or item by submitting a pre-service organization determination prior to services being rendered.

**DESCRIPTION**

Inpatient rehabilitation facilities (IRFs) are “free standing rehabilitation hospitals and rehabilitation units in acute care hospitals. They provide an intensive rehabilitation program and patients who are admitted must be able to tolerate three hours of intense rehabilitation services per day.”[1]
Note: This policy does not apply to skilled nursing facility (SNF) services. The Medicare Advantage Medical Policy, M-UM08, addresses these services (see Cross References).

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<th>Request:</th>
<th>CMS Coverage Manuals</th>
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<td>Read all applicable sections and subsections, in their entirety, for complete criteria details.</td>
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**Initial Admission**

Medicare Benefit Policy Manual
Chapter 1 - Inpatient Hospital Services Covered Under Part A,
See Section 110.2 in the following link:
§110.2 - Inpatient Rehabilitation Facility Medical Necessity Criteria

**Continued Stays**

Medicare Benefit Policy Manual
Chapter 1 - Inpatient Hospital Services Covered Under Part A,
See Section 110.3, specifically the documentation required to justify the need for a continued IRF stay in the 3rd paragraph of the following link:
§110.3 - Definition of Measurable Improvement

See “Policy Guidelines”
POLICY GUIDELINES

The Medicare Claims Processing Manual, Chapter 3 - Inpatient Hospital Billing, §140.1.1 - Criteria That Must Be Met By Inpatient Rehabilitation Facilities, C. List of Medical Conditions, provides a list of medical conditions that are frequently associated with requiring intensive rehabilitative services; however, inclusion or omission of a condition from this list does not constitute coverage or denial on its own merit.

**Important note:** According to the Medicare Learning Network (MLN) Article MM6699, “IRF care is only considered by Medicare to be reasonable and necessary under 1862(a)(1)(A) if the patient meets all of the requirements... interpreted in Chapter 1, Section 110 of the Medicare Benefit Policy Manual... This is true regardless of whether the patient is treated in the IRF for 1 or more of the 13 medical conditions listed in 42 CFR 412.23(b)(2)(iii) or not.”[3] While the CFR cited by MM6699 was the 2007 edition, this list is currently available in the aforementioned Medicare Claims Processing Manual reference §140.1.1 Subsection C and the same medical necessity rationale continues to apply. **While this list may be useful in some situations, inclusion of a medical condition on this list does not imply automatic coverage and omission of a condition from this list should not result in an automatic denial. All applicable criteria from Section 110 (see Medicare Advantage Policy Criteria above) must still be satisfied.**

REQUIRED DOCUMENTATION

The information below must be submitted for review to determine whether policy criteria are met. If any of these items are not submitted, it could impact our review and decision outcome:

- The IRF medical record should include, but not limited to, the following:
  - Pre-admission screening, post-admission physician evaluation, and individualized care plan and admission orders;
  - Therapeutic goals set for the individual member;
  - The active and ongoing therapeutic intervention of multiple therapy disciplines (physical therapy, occupational therapy, speech-language pathology, or prosthetics/orthotics) anticipated to be provided (prior to admission) and those that are provided during the course of the IRF stay (after admission);
  - The patient’s response to the services provided during the course of the admission;
  - Any other pertinent characteristics of the beneficiary.

CROSS REFERENCES

[Home Health (HH) Services](#), Utilization Management, Policy No. M-02

[Skilled Nursing Facility (SNF) Services](#), Utilization Management, Policy No. M-08
REFERENCES

1. Medicare Inpatient Rehabilitation Facilities web page
2. 42 CFR 412.29(b)(2)
3. Fact Sheet #1, Inpatient Rehabilitation Facility Classification Requirements (see section for “Changes to the List of Medical Conditions Requiring Intensive Rehabilitative Services”)

CODING

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*IMPORTANT NOTE: Medicare Advantage medical policies use the most current Medicare references available at the time the policy was developed. Links to Medicare references will take viewers to external websites outside of the health plan's web control as these sites are not maintained by the health plan.*