

Inpatient Rehabilitation Facility Review Choice Demonstration (IRF RCD)

Annual UDSMR® User Group

August 6, 2025

Presented by:

Diane Hess

Part A Education Specialist

Provider Outreach and Education



Disclaimer

- GuideWell Source, First Coast Service Options, and Novitas Solutions' employees, agents, and staff make no representation, warranty, or guarantee that this compilation of Medicare information is error-free and will bear no responsibility or liability for the results or consequences of the use of this guide. Any views and opinions expressed either during or after the presentation are those of my own and are not those of GuideWell Source, First Coast Service Options, Inc., and Novitas Solutions, Inc. In addition, I, alone, assume the responsibility for the accuracy of information contained in the oral presentation and any written materials or aids created and/or used for this presentation.
- This presentation was prepared as a tool to assist providers and is not intended to grant rights or impose obligations. Although every reasonable effort has been made to assure the accuracy of the information within these pages, the ultimate responsibility for the correct submission of claims and response to any remittance advice lies with the provider of services.
- This presentation is a general summary that explains certain aspects of the Medicare Program but is not a legal document. The official Medicare Program provisions are contained in the relevant laws, regulations, and rulings. Medicare policy changes frequently, and links to the source documents have been provided within the document for your reference
- This content is protected. Any use of images or likenesses for AI-generated purposes is strictly prohibited. By accessing, viewing, or attending this live presentation, you agree to refrain from using AI tools (including audio recording and/or videotaping) to manipulate or replicate any visual elements without explicit permission. Unauthorized reproduction, modification or distribution using artificial intelligence technology is prohibited and may result in legal action. For any inquiries regarding permissible use, please contact First Coast Service Options, Inc., and/or Novitas Solutions, Inc., directly.

Copyright Notices

- Current Procedure Terminology (CPT) codes, descriptions, and other data only are copyright 2024 American Medical Association (AMA). All rights reserved. Applicable Federal Acquisition Regulation (FARs)/Health and Human Services Acquisition Regulations (HHSARs) apply. Fee schedules, relative value units, conversion factors and/or related components are not assigned by the AMA, are not part of CPT, and the AMA is not recommending their use. The AMA does not directly or indirectly practice medicine or dispense medical services. The AMA assumes no liability for data contained or not contained herein.
- Copyright © 2024 the American Hospital Association (AHA), Chicago, Illinois. Reproduced with permission. No portion of the AHA copyrighted materials contained within this publication may be copied without the express written consent of the AHA. AHA copyrighted materials including the UB-04 codes and descriptions may not be removed, copied, or utilized within any software, product, service, solution, or derivative work without the written consent of the AHA. If an entity wishes to utilize any AHA materials, please contact the AHA at 312- 893-6816. Making copies or utilizing the content of the UB-04 Manual, including the codes and/or descriptions, for internal purposes, resale and/or to be used in any product or publication; creating any modified or derivative work of the UB-04 Manual and/or codes and descriptions; and/or making any commercial use of UB-04 Manual or any portion thereof, including the codes and/or descriptions, is only authorized with an express license from the American Hospital Association. The AHA has not reviewed, and is not responsible for, the completeness or accuracy of any information contained in this material, nor was the AHA or any of its affiliates, involved in the preparation of this material, or the analysis of information provided in the material. The views and/or positions presented in the material do not necessarily represent the views of the AHA. The Centers for Medicare and Medicaid Services (CMS) and its products and services are not endorsed by the AHA or any of its affiliates.
- UDSMR is a trademark of Netsmart Technologies, Inc.

Presenter



Diane Hess
Education Specialist

Acronym List

Acronym	Definition
CMS	Centers for Medicare & Medicaid Services
IRF	Inpatient rehabilitation facility
PAS	Preadmission screening
PCR	Pre-claim review
RCD	Review Choice Demonstration

Agenda

1

Inpatient Rehabilitation Facility Review Choice Demonstration (IRF RCD) – Pennsylvania Cycle 1 and Cycle 2 Stats

2

Top Non-Affirmation Reasons for Cycle 1 and Cycle 2

3

Panel Questions and Open Discussion

Inpatient Rehabilitation Facility Review Choice Demonstration (IRF RCD) – Pennsylvania Cycle 1 and Cycle 2 Stats

Novitas IRF RCD Medical Review Leadership Team

- Novitas will conduct medical reviews using an experienced clinical team and make medical necessity decisions using existing applicable regulations, and other applicable Centers for Medicare and Medicaid Services (CMS) policies
- All clinical activities will be directed by the Contract Medical Director (CMD), who will be responsible for the clinical oversight of the IRF RCD program

Contract Medical Director (CMD):

- Ene Ojile M.D. Board Certified ABPMR

Medical Review Manager:

- Jessica Hicks RN, MSN

Medical Review Supervisor:

- Mia Jackson RN, BSN

- To ensure consistency among MACs for IRF RCD reviews CMS hosts:
 - A weekly collaborative meeting with Novitas and Palmetto
 - Inter-reviewer reliability (IRR) calls:
 - Joint meeting sessions with MAC CMDs, nurse reviewers, and Centers for Program Integrity (CPI) staff to reinforce a standardized approach among reviewers

IRF RCD Timeline for Pennsylvania

Cycle 1

- March 1, 2024 – CMS announced IRF RCD expansion to Pennsylvania IRFs
- May 3, 2024 – June 2, 2024: Cycle 1 review choice selection
- June 3, 2024 – June 16, 2024: Preparation/testing for Cycle 1 reviews
- June 17, 2024 – December 31, 2024: Cycle 1 review dates*
- On or before January 30, 2025: Cycle 1 affirmation/approval rate communication

Cycle 2

- February 6, 2025 – February 19, 2025: Cycle 2 choice selection period
- March 1, 2025 – August 31, 2025: Cycle 2 review dates*
- On or before September 30, 2025: Cycle 2 affirmation/approval rate communication

- *Continue to submit reviews based on Cycle 2 choice until the Cycle 3 review start date

Cycle 1 Stats: June 17, 2024 – December 31, 2024

Pre-claim Review (PCR) (53 Providers*)

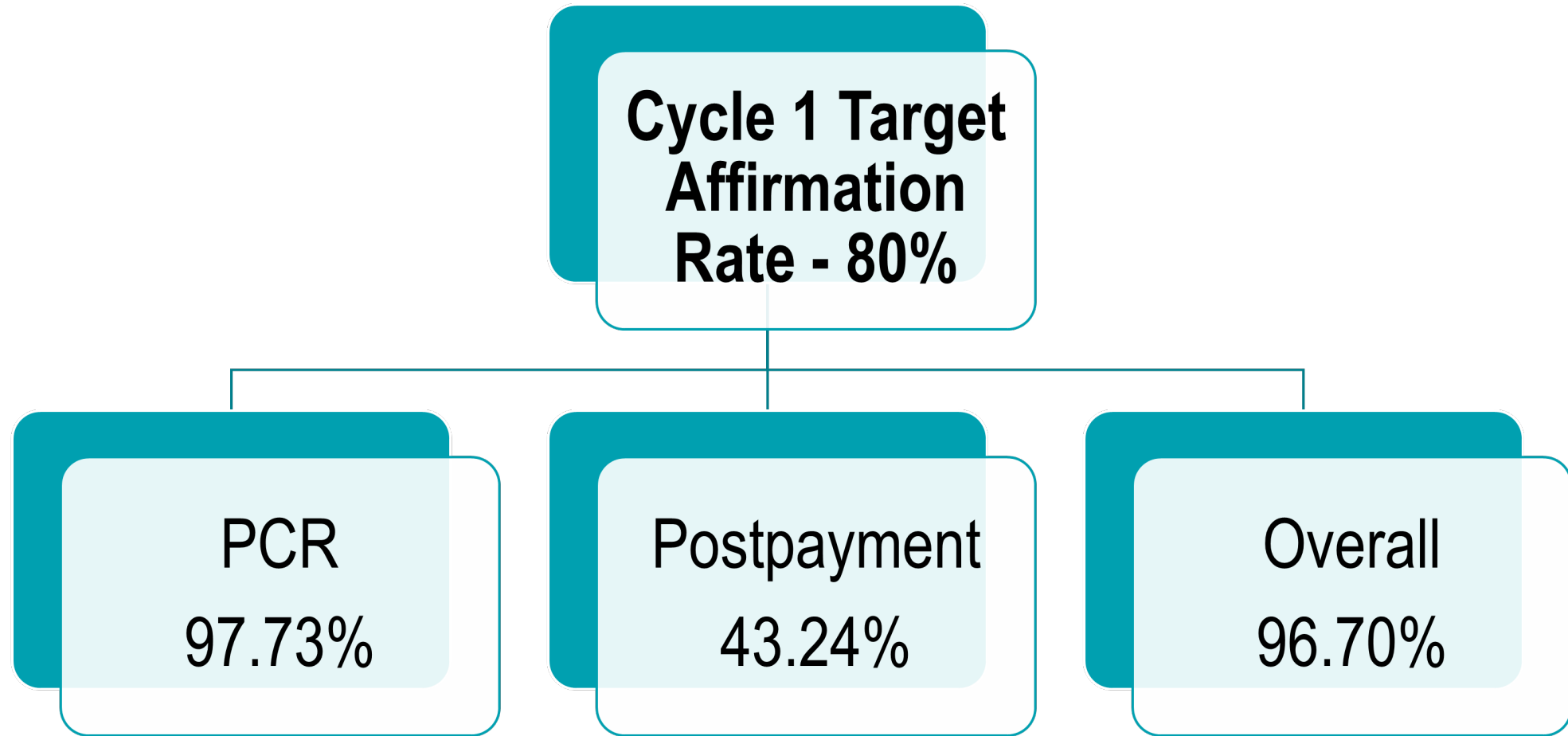
- Total PCR requests received = 8,044
- Total PCR affirmed = 7,607
- Total PCR non-affirmed = 267
- Total claims stopped for prepayment review = 28

Postpayment (1 Provider)

- Total postpayment reviews = 47
- Total approved = 20
- Total not approved = 22

- *Note: 1 IRF termed August 31, 2024

Cycle 1 Affirmation Rates



Current Cycle 2 Stats: Reviews Conducted January 1, 2025, – June 30, 2025

PCR (50 IRFs)

- Total PCR requests received = 7407
- Total PCR affirmed = 7094
- Total PCR non-affirmed = 137
- Total claims stopped for prepayment review = 22

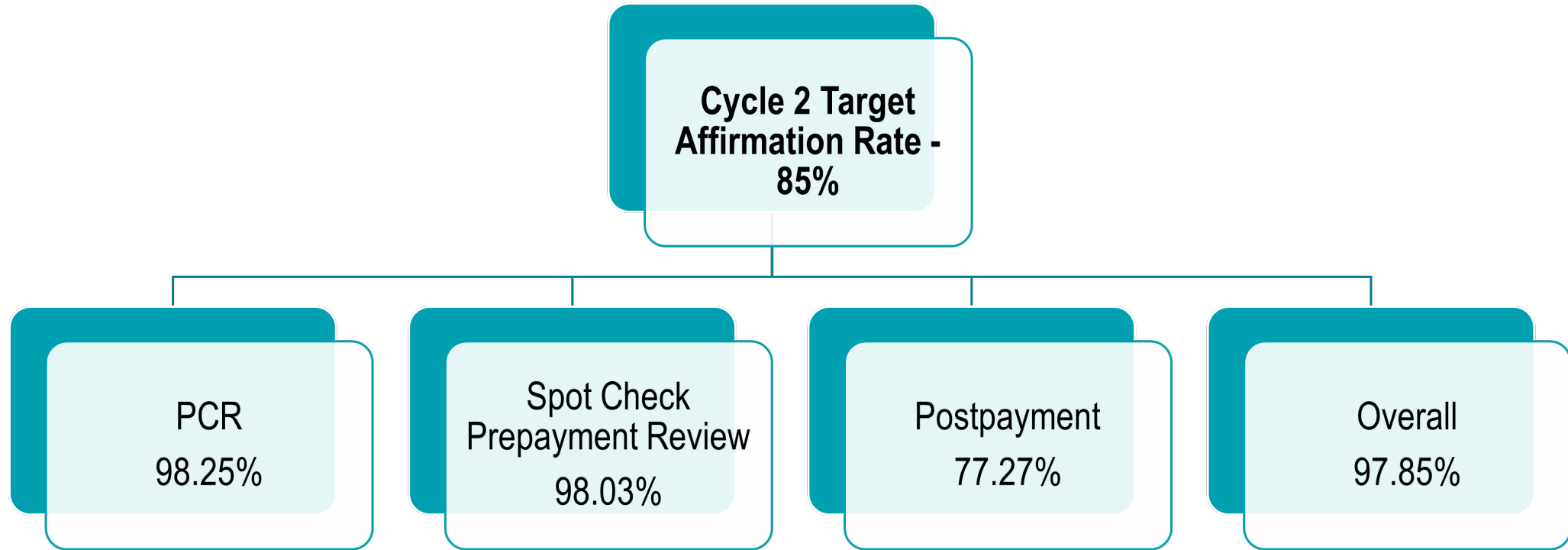
Spot Check Prepayment Review (2 IRFs)

- Total spot check prepayment reviews = 41
- Total approved = 39
- Total not approved = 2
- Total awaiting documentation = 0

Postpayment (1 IRF)

- Total postpayment reviews = 66
- Total approved = 43
- Total not approved = 14
- Total awaiting documentation = 9

Current Cycle 2 Affirmation Rates



- Cycle 3 and beyond have a target affirmation rate of 90%
- References:
 - [Review Choice Demonstration for Inpatient Rehabilitation Facility Services Operational Guide](#)
 - [Review Choice Demonstration for Inpatient Rehabilitation Facility Services Frequently Asked Questions \(FAQs\)](#)

Top Non-Affirmation Reasons for Cycle 1 and Cycle 2

Non-Affirmation Trends Identified

Technical Non-Affirmation

- Technical non-affirmations that if resubmitted are unable to receive an affirmation:
 - Pre-admission screening (PAS) not updated and/or signed within 48 hours prior to admission
 - PAS says physical therapy (PT), occupational therapy (OT), speech language pathology (SLP) but only PT/OT are completed within the 36 hours of the midnight of admission
 - PAS not being fully complete per CMS requirements
- Technical non-affirmations that can be corrected and resubmitted:
 - PAS not submitted if completed
 - Therapy notes not submitted but completed within the 36 hours from midnight of admission

Medical Necessity Non-Affirmation

- Patient is unable to participate in therapy at time of admission and then resubmitting with therapy notes to support the progression of therapy after the fact:
 - The first 2 -3 therapy sessions may be used to support ability to participate, but overall improvement throughout the IRF stay does not support participation at IRF admission
 - Per coverage requirements, patient must be able to actively participate in therapy at the time of admission
- Documentation not supporting the need for intensive therapy:
 - Patient is too high functioning at time of admission:
 - For example, can ambulate 400 feet and needs assist with upper body dressing
 - 2 therapies are not needed

IRF Reason Codes and Statements

- CMS has standardized reason codes and statements available to ensure providers have a more consistent experience and that claim denials or non-affirmations are easier to understand
- New reason codes and updates for IRF recently added:
 - IRF2N:
 - PAS does not include a detailed and comprehensive review of the patient's condition and medical history
 - IRF5H:
 - Documentation does not support that the patient is able to actively participate in and benefit significantly from the intensive rehabilitation therapy program
 - IRF8H:
 - Documentation does not include a completed therapy evaluation to support the beneficiary can reasonably be expected to actively participate in, and benefit from, an intensive rehabilitation therapy program
- References:
 - [Reason Statements and Document \(eMDR\) Codes](#)
 - [Inpatient Rehabilitation Facilities \(IRF\) Reason Codes and Statements \(PDF\)](#):

Cycle 1 Top Non-Affirmation Reason Codes

IRF8G

- Medical necessity therapy services
- Documentation does not support that therapy services began within thirty-six hours from midnight of the day of admission to the IRF
- Refer to:
 - [42 CFR 412.622\(a\)\(3\)\(ii\)](#)
 - [Medicare Benefit Policy Manual, Pub. 100-02, Chapter 1, Section 110.2.2:](#)
 - Intensive Level of Rehabilitation Service

IRF5D

- Medical necessity
- Documentation does not support the patient is sufficiently stable at the time of admission to the IRF to be able to actively participate in and benefit significantly from the intensive rehabilitation therapy program
- Refer to:
 - [42 CFR 412.622\(a\)\(3\)\(iii\)](#)
 - [Medicare Benefit Policy Manual, Pub. 100-02, Chapter 1, Section 110.2:](#)
 - Inpatient Rehabilitation Facility Medical Necessity Criteria

IRF2A

- Insufficient documentation pre-admission screening
- Documentation does not support the preadmission screen was completed or updated within the 48 hours immediately preceding the IRF admission
- Refer to:
 - [42 CFR 412.622\(a\)\(4\)\(i\)\(A\)](#)
 - [Medicare Benefit Policy Manual, Pub.100-02, Chapter 1, Section 110.1.1:](#)
 - Required Preadmission Screening

Cycle 2 Top Non-Affirmation Reason Codes

IRF5D

- Medical necessity
- Documentation does not support the patient is sufficiently stable at the time of admission to the IRF to be able to actively participate in and benefit significantly from the intensive rehabilitation therapy program
- Refer to:
 - [42 CFR 412.622\(a\)\(3\)\(iii\)](#)
 - [Medicare Benefit Policy Manual, Pub. 100-02, Chapter 1, Section 110.2:](#)
 - Inpatient Rehabilitation Facility Medical Necessity Criteria

IRF8G

- Medical necessity therapy services
- Documentation does not support that therapy services began within thirty-six hours from midnight of the day of admission to the IRF
- Refer to:
 - [42 CFR 412.622\(a\)\(3\)\(ii\)](#)
 - [Medicare Benefit Policy Manual, Pub. 100-02, Chapter 1, Section 110.2.2:](#)
 - Intensive Level of Rehabilitation Service

IRF8B

- Medical necessity therapy services
- Documentation does not support the patient received intensive rehabilitation therapy services
- Refer to :
 - [42 CFR 412.622\(a\)\(3\)](#)
 - [Medicare Benefit Policy Manual, Pub. 100-02, Chapter 1, Section 110.2.2:](#)
 - Intensive Level of Rehabilitation Service

Documentation Tip

- Documentation needs to “paint a picture” to show the patient is meeting the IRF coverage criteria and the services provided are reasonable and necessary
 - Reviewer needs to clearly “see” why the IRF stay is appropriate for the patient



Panel Questions and Open Discussion

Interdisciplinary Team (IDT) Meeting Clarification

- Coverage guidelines require IDT meetings to be held at minimum once per week:
 - A week is 7 calendar days beginning with the admission day counting as day 1
 - If a patient is admitted to an IRF on the day IDT meetings are scheduled, CMS expects all patients in the IRF to be discussed during that meeting
 - CMS will permit IDT meetings to be completed by day 8 of a patient's stay in certain circumstances:
 - If a patient is admitted after the IDT meeting has taken place on that day, it is acceptable for the patient to be discussed for the first time at the following week's IDT meeting, which would be on day 8 of the stay
 - For example, if the IRF's weekly IDT meeting takes place every Wednesday at 2:00 PM, and a patient is admitted on Wednesday at 5:00 PM (after the regular meeting), the first IDT meeting could be held on the following Wednesday at 2:00 PM
 - IRF providers must document in the medical record the specific rationale for conducting an IDT meeting on day 8
 - Under no circumstances may a patient's first IDT review occur after day 8 of the stay
- References:
 - [Review Choice Demonstration for Inpatient Rehabilitation Facility Services Operational Guide](#)
 - [Review Choice Demonstration for Inpatient Rehabilitation Facility Services Frequently Asked Questions \(FAQs\)](#)
 - [Inpatient Rehabilitation Facility \(IRF\) Review Choice Demonstration \(RCD\): Commonly Asked Questions](#)

Short Stays and Short Stay Transfers

- IRF short stays and short stay transfers of 3 days or less are not included in the IRF RCD and do not require a UTN
- When a beneficiary is admitted to an IRF but is transferred out as described in [42 CFR 412.624\(f\)](#) within 3 days or less of the admission:
 - Provider may not be able to complete all documentation due to the timing of the transfer to meet the coverage requirements listed in the CFR
- When a short stay claim is billed for 3 days or less, Novitas will identify the claim based on the dates of service billed:
 - Claims billed for 3 days may or may not be short stay transfers
 - Claims processing system is unable to identify and exclude those claims that were 3 days that did not include a UTN:
 - For these claims, Novitas will send an ADR
 - IRF provider shall submit documentation to Novitas to support an appropriate IRF admission, short stay, or short stay transfer
- References:
 - [CMS Review Choice Demonstration for Inpatient Rehabilitation Facility Services Frequently Asked Questions \(FAQs\)](#)
 - [Inpatient Rehabilitation Facility \(IRF\) Review Choice Demonstration \(RCD\): Commonly Asked Questions](#)

Short Stays and Short Stay Transfers (cont.)

- Action provider should take in the event of an ADR for short stays or short stay transfers occurring on the third day or greater:
 - If the admission is for a short stay or short stay transfer (transfers of 3 days or less), the provider shall submit documentation (such as progress notes, nursing notes, discharge summaries, etc.) confirming the specific timing of the transfer/discharge
 - If the documentation confirms a short stay or short stay transfer, Novitas will process the claim as normal and the IRF's affirmation rate will not be impacted
 - If the documentation does not confirm a short stay or short stay transfer, Novitas will contact the provider to request the full medical record:
 - ❑ Novitas will conduct a full review, process the claim as normal, and the IRF's affirmation will be impacted
 - If the admission is not for a short stay or short stay transfer (transfer of 3 days or less), the provider shall submit the full medical record to support that the claim met IRF requirements
 - Novitas will conduct a full ADR review, process the claim as normal, and the IRF's affirmation rate will be impacted

Initiating Therapy Within 36 Hours

- The requirement for initiating therapy within 36 hours is directly supported by [42 CFR 412.622 \(a\)\(3\)\(ii\)](#) which states:
 - All therapy services indicated in the overall plan of care (POC) must begin within 36 hours from midnight of the day of admission to the IRF
- This is based on the PAS process, which must include an assessment of the patient's needs and specify which therapies are required, with at least 1 being PT or OT
- Once the rehab physician signs the PAS, that signature documents their concurrence with the therapy plan
- When therapy services listed in the PAS are not initiated post-admission, CMS contractors look for documentation explaining the reason, for instance, a change in the patient's condition:
 - Without that documentation, it can appear that the admission criteria were not fully met, which may lead to non-affirmation
- Azar versus Allina reminds us that CMS decisions must be grounded in regulation
- It is important to note the 36-hour requirement is a condition of coverage explicitly stated in the regulation; therefore, the requirement continues to be a valid and enforceable standard under RCD

Questions and Open Discussion



Key Takeaways

- Provided Cycle 1 and Cycle 2 stats for Novitas
- Reviewed top non-affirmation reasons for Cycle 1 and Cycle 2
- Discussed panel questions and conversed open discussion



Thank You for Attending!

- Diane Hess
 - Education Specialist, Provider Outreach and Education
 - Diane.hess@novitas-solutions.com