



AAPM&R, AMRPA, FAH Highlight IRF Compliance and Dispute OIG Report Findings

May 14, 2026 (Washington, D.C.) - Today, the American Academy of Physical Medicine and Rehabilitation (AAPM&R), the American Medical Rehabilitation Providers Association (AMRPA), and the Federation of American Hospitals (FAH) released the following statement on the Office of Inspector General’s (OIG) new report, “Unclear Medicare Requirements Led to Differing Interpretations of Inpatient Rehabilitation Facility Documentation, Coverage, and Billing Requirements”:

“OIG’s error rates and overpayment estimates are clear outliers, and the discrepancies between this report and CMS’s own oversight data – including its CERT report and Review Choice Demonstration results – raise serious questions about the report’s conclusions. Inpatient Rehabilitation Facilities (IRFs) and rehabilitation physicians deliver highly specialized, intensive care that helps patients recover from serious illness or injury and return safely home, with some of the strongest patient outcomes in the Medicare program. Despite the complex regulatory landscape that IRFs operate within, CMS nonetheless **‘generally found that Medicare requirements were met’** and that, critically, **‘OIG’s findings and perceived risks may be overstated.’**

“The OIG report found no evidence of fraud, nor did it question the quality of care in IRFs. In fact, in the vast majority of ‘errors’ identified by OIG’s auditors, CMS and IRF stakeholders instead agreed that Medicare requirements were met. Where disputes arose, they reflected inconsistent interpretation by contractors — not problems with medically necessary patient care. It is therefore inappropriate to extrapolate overpayment estimates or to use this report as any indication of intentional noncompliance or an increased risk of improper payments.

“Patients should not face barriers to inpatient rehabilitation care – and our providers should not be subject to flawed findings – because of inconsistent interpretations of Medicare rules. We believe contractors need better training and education, and we will continue to work with CMS to streamline requirements so IRFs and rehabilitation physicians can continue focusing on what matters most: helping patients recover, improve function, and return home.”

Key background:

In today's report, CMS and the IRF Stakeholders came to the same conclusion on most of the 19 key issues discussed with OIG, agreeing that the IRF met Medicare requirements on the OIG identified error in question. Further, CMS said IRFs met Medicare requirements for 9 of the 10 criteria. This demonstrates that the issue is not simply a general lack of clarity of the Medicare regulations, but inconsistent interpretations by government contractors. In fact, in CMS' own response, the agency asserts that **“[b]ased on the collaborative medical record review and subsequent discussions, CMS believes that the OIG's findings and perceived risks may be overstated.”**

To better underscore the discrepancies in oversight, CMS itself noted the findings 'vary significantly' from the agency's own Comprehensive Error Rate Testing (CERT) data, and they sharply conflict with the results of CMS's IRF Review Choice Demonstration, which - when compared to this audit - subjects more claims to extensive review and shows compliance rates well over 90%.

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About the American Academy of Physical Medicine and Rehabilitation: The American Academy of Physical Medicine and Rehabilitation (AAPM&R) is the national medical specialty organization representing more than 10,000 physicians who are specialists in physical medicine and rehabilitation (PM&R). PM&R physicians, also known as physiatrists, treat a wide variety of medical conditions affecting the brain, spinal cord, nerves, bones, joints, ligaments, muscles, and tendons. PM&R physicians evaluate and treat injuries, illnesses, and disability, and are experts in designing comprehensive, patient-centered treatment plans. Physiatrists utilize cutting-edge as well as time-tested treatments to maximize function and quality of life. For more information, visit www.aapmr.org.

About the American Medical Rehabilitation Providers Association: AMRPA is the national trade association representing more than 800 inpatient rehabilitation hospitals and units (IRFs). Our members focus on the care and functional recovery of some of the most vulnerable Medicare beneficiaries – such as individuals with stroke, traumatic brain

injury, spinal cord injury, limb loss or amputation, and a wide array of neuromuscular and musculoskeletal conditions. AMRPA member hospitals help patients maximize their health, functional ability, independence, and participation in their communities, so they are able to return home, work, or an active retirement. For more information visit www.amrpa.org.

About the Federation of American Hospitals: The Federation of American Hospitals (FAH) represents the country's leading tax-paying hospitals and health care systems to advance public policy, ensuring patients & communities have access to high-quality & affordable 24/7 care. For more information visit www.fah.org.