

Publications

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CMS Expands Consequences of Medicare Revocation: What You Need to Know

Key Takeaways

- **CMS maintains its authority to impose Medicare reenrollment bars:** CMS emphasizes its ability to apply reenrollment bars when a provider's Medicare billing privileges are revoked, affecting all enrollments linked to the provider's TIN.
- **Certain revocation types may trigger narrower reenrollment bars:** CMS may limit a bar to the specific revoked enrollment but warns against attempts to re-enroll under new names or entities.
- **Medicare providers should act quickly after a revocation:** Providers should consider timely appeals to help avoid the business disruption of a reenrollment bar, particularly in Medicare-dependent sectors.

In late September, the Centers for Medicare and Medicaid Services (CMS) proposed updates to Chapter 10 of the Medicare Program Integrity Manual (PIM), clarifying how reenrollment bars apply when a provider's Medicare billing privileges are revoked. The changes were set to take effect Oct. 20, but — likely due to the government shutdown — have not yet been officially incorporated.

The guidance clarifies that as a general rule, reenrollment bars will apply to “all enrollments under the provider's PECOS or legacy enrollment record at the TIN level.”¹ Once implemented, the new guidance will expand and clarify CMS' authority to restrict reenrollment bars in certain cases.

When Can CMS Limit a Reenrollment Bar?

CMS identifies in the guidance specific revocation instances that require special consideration and review, allowing CMS to potentially limit a reenrollment bar to only the specific enrollment that was revoked. These revocations include those based on:

- Noncompliance with enrollment requirements
- Failure to satisfy onsite review or nonoperational
- Failure to meet financial screening requirements
- Failure to report accurate information on provider

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- Failure to meet Medicare documentation or access requirements
- Failure to maintain documentation of reserve operating funds
- Supplier standard or condition violation (only applicable to certain suppliers)

In these circumstances, although the reenrollment bar is limited “only to the specific enrollment that was the subject of the reenrollment bar,” CMS cautions that “if there is any effort to re-establish a revoked enrollment(s) under a different name, numerical identifier or business entity,” the Medicare Administrative Contractor reviewing the application must contact CMS for further guidance.²

What Scenarios Does CMS Flag as Attempts to Reenroll After a Bar?

This new guidance includes clarifying examples of situations where a provider may be attempting to circumvent a reenrollment bar by enrolling under different circumstances:

- **Scenario 1:** Smith was the sole owner of XYZ Medical Supplies, Inc. XYZ’s lone location was at 1 Jones Street. XYZ’s billing privileges were revoked after it was determined that the site was nonoperational. Nine months later, the contractor receives an initial application from Johnson Supplies, LLC. The entity has one location at 1 Jones Street in the same city in which XYZ Medical Supplies is located. Smith is listed as a 75% owner.
- **Scenario 2:** Jones and Smith were 50% owners of World Home Health, a partnership. One year after World Home Health was revoked under § 424.535(a)(9), the contractor receives an initial application from XYZ Home Health, a corporation of which Jones is the sole owner/member.

What Can Providers Facing a Medicare Reenrollment Bar Do?

Reenrollment bars can carry significant barriers to continuing a business in a Medicare-dominated industry. Where possible, providers facing revocations should consider appeals of a revocation to prevent a reenrollment bar.

For assistance in Medicare enrollment issues, including revocations, reenrollment bars, initial enrollments or other enrollment issues, please contact a member of Polsinelli’s Licensure, Enrollment & Certification team.

[1] PIM, 10.4.7.4.C.1.

[2] PIM, 10.4.7.4.C.2.