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Client Alert: Centers for Medicare & Medicaid Services Proposes Implementation Framework for Mandatory Off-Campus Hospital Outpatient Departments Attestation and Separate National Provider Identifier Requirements

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Statutory Background

Section 6225 of the Consolidated Appropriations Act, 2026, enacted February 3, 2026, creates a new Medicare condition of payment for off-campus hospital outpatient departments (HOPDs) effective January 1, 2028, requiring each off-campus HOPD to (1) obtain a separate National Provider Identifier (NPI), (2) submit an initial provider-based attestation within the two-year period before services are furnished, and (3) submit subsequent attestations at Centers for Medicare & Medicaid Services (CMS)-determined intervals. On July 2, 2026, CMS issued the CY 2027 OPPS/ASC Proposed Rule (**CMS-1850-P**), published in the Federal Register on July 7, 2026, providing its first implementation framework.

Scope and 250-Yard Carve-Out

CMS proposes revising 42 C.F.R. § 413.65 so the mandate applies only to departments that are neither on the main hospital campus nor within 250 yards of a remote hospital location. New 42 C.F.R. § 419.23 would codify that Medicare will not pay Outpatient Prospective Payment System (OPPS) claims for noncompliant off-campus departments beginning January 1, 2028.

Separate NPI Requirement

Each off-campus HOPD must obtain and bill under its own NPI, separate from the hospital's main NPI. Hospitals must update their Provider Enrollment, Chain, and Ownership System (PECOS) enrollment records before attesting. The proposed rule does not address downstream coordination burdens across Electronic Health Record (EHR) billing and credentialing systems.

Attestation Process and Timing

CMS proposes a standardized electronic attestation form replacing Medicare Administrative Contractor (MAC)-specific templates. Initial attestations submitted during the two-year window before January 1, 2028, will satisfy the statute even without a CMS determination by that date. Subsequent attestations would be required at intervals not exceeding five years, with exact cadence deferred to future rulemaking.

Oversight Approach and No Grandfathering

CMS proposes a layered, risk-based oversight approach featuring reduced upfront documentation requirements but retaining broad audit and site-visit authority. Notably, CMS declines to automatically grandfather previously approved provider-based determinations—all off-campus HOPDs must complete the new attestation process regardless of prior approval status.

What This Means for Hospitals/Next Steps

Hospitals with off-campus HOPDs should inventory their locations, assess current compliance, and begin planning for NPI acquisition and PECOS updates. The proposed rule also includes other OPPS/Ambulatory Surgery Center (ASC) payment rate updates, 340B drug payment changes, site-neutral payment expansions, and quality reporting modifications affecting hospitals, physicians, and ASCs.

The public comment period runs from July 7, 2026 (date of Federal Register publication) through August 31, 2026. Stakeholders are encouraged to submit comments during this window.

If you have questions about how the CMS-proposed implementation framework for mandatory off-campus HOPD attestation and separate NPI requirements will impact your organization, please contact Mara Rendina or a member of Shumaker's Health Law Team.