

**DEPARTMENT OF HEALTH AND HUMAN SERVICES  
Centers for Medicare & Medicaid Services**

*Order of the Administrator*

<b>IN THE CASE OF:</b>	*	<b>MGCRB Case No. 25C0336</b>
	*	
<b>Mercy Hospital Ada</b>	*	
	*	
<b>Provider No. 37-0020</b>	*	
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This case is before the Administrator, Centers for Medicare & Medicaid Services (CMS), for review of the decision entered by the Medicare Geographic Classification Review Board (MGCRB). The Hospital requested that the Administrator reverse the MGCRB’s dismissal of its application, because the requested information was sent to the MGCRB on the date that it was requested.<sup>1</sup> Accordingly, this case is now before the Administrator for final agency review.

ISSUE AND MGCRB DECISION

The issue involves whether the MGCRB properly dismissed the Hospital’s application. The Hospital timely submitted its initial online application to the MGCRB on August 29, 2023. In a letter dated August 30, 2023, the MGCRB advised that the application did not contain all the necessary elements for a complete application and requested evidence that the Hospital is a single acute care IPPS hospital in the Hospital’s urban area. The MGCRB further advised that the application would be closed if the information needed to complete the application was not received by September 14, 2023. The MGCRB dismissed the application and closed the case, via letter dated October 23, 2023, finding that the Hospital had not timely submitted the requested information.

HOSPITAL’S COMMENTS

The Hospital commented, requesting review by the Administrator. The Hospital stated that it had submitted the evidence that the MGCRB requested, that identifies that the provider is a single acute care IPPS hospital in the Hospital’s urban area, to the MGCRB on September 8, 2023, via electronic mail and included that transmitting electronic mail with the requested information.

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<sup>1</sup> This appeal falls under 42 C.F.R. §412.256(d).

## DISCUSSION

The entire record furnished by the MGCRB has been examined, including any correspondence, position papers, exhibits, and subsequent submissions. All comments received timely are included in the record and have been considered.

Section 1886(d)(10)(C)(iii)(II) of the Social Security Act and the Medicare regulations at 42 C.F.R. § 412.278 provide for the CMS Administrator's review of the MGCRB decisions. In exercising its authority under § 1886(d)(10) of the Act, the MGCRB must comply with all of the provisions of Title XVIII of the Act and the regulations issued there under, including the regulations at 42 C.F.R. § 412.230, *et seq.* Likewise, the regulations promulgated by the Secretary establishing procedures and criteria for the MGCRB are binding on the agency and on the Administrator in reviewing MGCRB decisions.

Section 1886(d)(10) of the Act provides for the MGCRB to consider the application of any subsection (d) hospital requesting that the Secretary change the hospital's geographic classification for purposes of determining for a fiscal year its wage index. Further, §1886(d)(10)(D)(i)(I) requires the Secretary to publish guidelines for comparing wages, taking into account to the extent the Secretary determines appropriate, occupational mix in the area in which the hospital is classified and the area in which the hospital is applying to be classified.

Pursuant to the statute the Secretary established 42 C.F.R. § 412.230 setting forth criteria for an individual hospital seeking redesignation to another rural area or an urban area. Application requirements are noted in 42 C.F.R. § 412.256:

(a) Written application. A request for reclassification must be in writing and must constitute a complete application in accordance with paragraph (b) of this section.

(1) An application must be submitted to the MGCRB according to the method prescribed by the MGCRB.

(2) A complete application must be received not later than the first day of the 13-month period preceding the Federal fiscal year for which reclassification is requested.

(3) The filing date of an application is the date the application is received by the MGCRB.

(b) Criteria for a complete application. An application is complete if the application from an individual hospital or from all hospitals in a county includes the following information:

(1) The Federal fiscal year for which the hospital is applying for redesignation.

(2) Which criteria constitute the basis of the request for reclassification.

(3) An explanation of how the hospital or hospitals meet the relevant criteria in §§412.230 through 412.236, including any necessary data to support the application.

(c) Opportunity to complete a submitted application. (1) The MGCRB will review an application within 15 days of receipt to determine if the application is complete. If the MGCRB determines that an application is incomplete, the MGCRB will notify the hospital, with a copy to CMS, within the 15 day period, that it has determined that the application is incomplete and may dismiss the application if a complete application is not filed by September 1.

(2) At the request of the hospital, the MGCRB may, for good cause, grant a hospital that has submitted an application by September 1, an extension beyond September 1 to complete its application.

For the FY 2025 application cycle, the MGCRB required applications to be filed electronically via the Office of Hearings Case and Document Management System.

In this case, the Hospital received a letter that its case would be dismissed if the needed information was not timely filed. The letter from MGCRB staff, did not specify in the body of the letter, how the information should be filed with the MGCRB, but did contain a footnote with a link to MGCRB rules. The Hospital erroneously responded directly to the electronic mail address/staff request and did not apparently submit the material via the required MGCRB Hearings Case Management System. Consequently, the submitted material was not reflected as being timely filed in the MGCRB Hearings and Case Management System and was consequently dismissed.

The Administrator recognizes that the Hospital, in the time required, submitted the documentation via a direct response electronic mail and not through the required case management system.<sup>2</sup> While the letter may not have specifically directed the Hospital in the body of the text as to the filing method, there was a footnote link to the MGCRB rules. In addition, the MGCRB has made extensive efforts to educate application filers on the use of the Office of Hearings Case and Document Management System and the rules for filing.

However, considering the lack of specificity in the letter on the method to file the requested material, thereby, increasing the potential for such human error, the Administrator will vacate the dismissal and remand the application to the MGCRB with the Hospital's documentation of the requested information. The material that was submitted via electronic mail and provided in this review by the Hospital is included as an Appendix to this remand. The MGCRB should evaluate whether the submitted material meets the required criteria for a complete application as requested.

The Hospital is on notice that, in the future, it is imperative that they follow the MGCRB required application process and filing rules and methods or risk having their application be dismissed.

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<sup>2</sup> The record provided by the MGCRB does include the Provider status documentation as a sole community hospital under 42 CFR 412.92 and Rural Referral Center (RRC) under 42 CFR 412.96 for the purpose of Medicare IPPS Reimbursement.

Consequently, the Administrator hereby vacates the dismissal and remands the application to the MGCRB for evaluation of the Hospital's documentation provided by the Hospital in this appeal. The MGCRB shall evaluate this documentation to determine whether the criteria for a complete application are met and process the application in accordance with that determination.

Date: November 3, 2023

/s/

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Jonathan Blum  
Principal Deputy Administrator  
Centers for Medicare & Medicaid Services

**APPENDIX**

**Cumpian, Gloria Jane**

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**From:** Cumpian, Gloria Jane  
**Sent:** Friday, September 8, 2023 1:28 PM  
**To:** 'christine.blowers@cms.hhs.gov'  
**Subject:** MGCRB Case No. 25C0336, Mercy Hospital Ada (37-0020), Incomplete Application  
**Attachments:** Single Acute Care support (8.31.23).pdf

Good Afternoon,

Happy Friday! Please see the attached requested support. Thank you.

*Gloria Jane Cumpian*  
Senior Reimbursement Specialist  
Revenue Integrity & Reimbursement

From: [Gloria Jane Cumplin](#)  
 To: [Cumplin, Gloria Jane](#)  
 Cc: [alec.martin@mercy.net](#)  
 Subject: RE: Provider status\_370020  
 Date: Thursday, August 21, 2025 12:46:18 PM

**External Email: Please be careful when opening attachments or clicking on links. - Mercy Technology Services**

Gloria Jane Cumplin: Mercy Hospital Ada, Inc, CCN 370020, is currently classified in our system as Provider type 17 which is a Sole Community Hospital under 42 CFR 412.92 and Rural Referral Center (RRC) under 42 CFR 412.96 for the purpose of Medicare IPPS Reimbursement. The hospital is currently reimbursed based on the highest of the Hospital Specific Rate and the Acute care IPPS rate. Mercy Hospital Ada, Inc, 370020, is geographically located in the rural county of Pontotoc.

FY 2024 IPPS Impact File - Final Rule (August 2023)										
Provider Number	Name	Geographic Labor Market Area	Pre- Reclas Labor Market Area	Post Reclas Labor Market Area	Payment Labor Market Area	IPPS County Code	Region	URGEO	URSPA	RECLASS
370020	Mercy Hospital Ada	37	37	36420	37	40123	7	RURAL	RURAL	W

**Depends Morales Negron**  
 PARO Lead Auditor  
 Fax: (804)361-0412  
 Novitas Solutions, Inc.  
 Medicare Administrative Contractor J, JH

From: Cumplin, Gloria Jane <GloriaJane.Cumplin@Mercy.Net>  
 Sent: Thursday, August 21, 2025 1:10 PM  
 To: Morales Negron, Margarita <Margarita.MoralesNegron@fso.com>  
 Cc: alec.martin@mercy.net  
 Subject: [EXTERNAL] RE: Provider status\_370020

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 DO NOT CLICK links or open attachments unless you recognize the sender and know the content is safe!  
 REPORT SUSPICIOUS EMAILS TO SECURITY by clicking on the **Report Phishing** button located in Outlook.

Good Morning Margarita,  
 Happy Thursday! Hope your morning has been good. Thank you for the below information. We received an incomplete geographic classification application notification due to support for single IPPS Hospital. Would you be able to provide MAC evidence/documentation that identifies 37-0020 Mercy Hospital Ada is a single acute care IPPS hospital in the Provider's urban area. Thank you.

**Gloria Jane Cumplin**  
 Sector Reimbursement Specialist  
 Revenue Integrity & Reimbursement

From: Morales Negron, Margarita <Margarita.MoralesNegron@fso.com>  
 Sent: Thursday, August 17, 2025 5:03 PM  
 To: Cumplin, Gloria Jane <GloriaJane.Cumplin@Mercy.Net>  
 Cc: [jim.sachs@mercy.net](#)  
 Subject: Provider status\_370020

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Gloria Jane Cumplin:  
 Our records show that Mercy Hospital Ada, Inc, CCN 370020, is classified as a Sole Community Hospital under 42 CFR 412.92 and Rural Referral Center (RRC) under 42 CFR 412.96 for the purpose of Medicare Reimbursement.