

<b>CMS Manual System</b>	<b>Department of Health &amp; Human Services (DHHS)</b>
<b>Pub 100-20 One-Time Notification</b>	<b>Centers for Medicare &amp; Medicaid Services (CMS)</b>
<b>Transmittal 10530</b>	<b>Date: December 23, 2020</b>
	<b>Change Request 12070</b>

**SUBJECT: Instructions to Medicare Administration Contractor (MAC) on COVID-19 Emergency Declaration Blanket Waivers for Medicare-Dependent, Small Rural Hospitals and Sole Community Hospitals**

**I. SUMMARY OF CHANGES:** The Administration is taking aggressive actions and exercising regulatory flexibilities to help healthcare providers contain the spread of 2019 Novel Coronavirus Disease (COVID-19) with the COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers. CMS is empowered to take proactive steps through 1135 waivers and rapidly expand the Administration’s aggressive efforts against COVID-19, including through the following blanket waivers. A summary of the blanket waivers can be found at <https://www.cms.gov/files/document/summary-covid-19-emergency-declaration-waivers.pdf>.

**EFFECTIVE DATE: January 26, 2021**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: March 29, 2021**

*Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.*

**II. CHANGES IN MANUAL INSTRUCTIONS:** (N/A if manual is not updated)

R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

<b>R/N/D</b>	<b>CHAPTER / SECTION / SUBSECTION / TITLE</b>
N/A	N/A

**III. FUNDING:**

**For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**IV. ATTACHMENTS:**

**One Time Notification**

# Attachment - One-Time Notification

Pub. 100-20	Transmittal: 10530	Date: December 23, 2020	Change Request: 12070
-------------	--------------------	-------------------------	-----------------------

**SUBJECT: Instructions to Medicare Administration Contractor (MAC) on COVID-19 Emergency Declaration Blanket Waivers for Medicare-Dependent, Small Rural Hospitals and Sole Community Hospitals**

**EFFECTIVE DATE: January 26, 2021**

*\*Unless otherwise specified, the effective date is the date of service.*

**IMPLEMENTATION DATE: March 29, 2021**

## I. GENERAL INFORMATION

**A. Background:** The Administration is taking aggressive actions and exercising regulatory flexibilities to help healthcare providers contain the spread of 2019 Novel Coronavirus Disease (COVID-19) with the COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers. CMS is empowered to take proactive steps through 1135 waivers and rapidly expand the Administration's aggressive efforts against COVID-19, including through the following blanket waivers. A summary of the blanket waivers can be found at <https://www.cms.gov/files/document/summary-covid-19-emergency-declaration-waivers.pdf>.

**B. Policy:** All items covered in this instruction are effective for hospital discharges or cost reporting periods, as applicable, occurring on or after the start of the COVID-19 emergency declaration blanket waiver period, effective March 1, 2020, through the end of the emergency declaration.

### Hospitals Classified as Sole Community Hospitals (SCHs)

CMS is waiving certain eligibility requirements as set forth in the regulations at 42 CFR § 412.92(a) for hospitals classified as SCHs prior to the public health emergency. Specifically, CMS is waiving the distance requirements at 42 CFR § 412.92(a), (a)(1), (a)(2), and (a)(3) which require that an SCH, among other criteria, be located either more than 35 miles, 25-35 miles, 15-25 miles, or a 45-minute drive time from another like hospital, respectively. CMS is also waiving the "market share" requirement at 42 CFR § 412.92(a)(1)(i) which requires that no more than 25 percent of residents who become hospital inpatients or no more than 25 percent of the Medicare beneficiaries who become hospital inpatients in the hospital's service area are admitted to other like hospitals located within a 35-mile radius of the hospital, or, if larger, within its service area. Lastly, CMS is waiving the bed requirement at 42 CFR § 412.92(a)(1)(ii) which requires that the SCH have fewer than 50 beds. The waiver of these requirements will continue for the duration of the public health emergency. The MAC shall resume standard practice for evaluation of all eligibility requirements after the conclusion of the public health emergency period.

### Hospitals Classified as Medicare-Dependent, Small Rural Hospitals (MDHs)

CMS is waiving certain eligibility requirements as set forth in the regulations at 42 CFR § 412.108(a) for hospitals classified as MDHs prior to the public health emergency. Specifically, CMS is waiving the requirement that the hospital have 100 or fewer beds during the cost reporting period at 42 CFR § 412.108(a)(1)(ii). CMS is also waiving the requirement that at least 60 percent of the hospital's inpatient days or discharges were attributable to individuals entitled to Medicare Part A benefits during the specified hospital cost reporting periods at 42 CFR § 412.108(a)(1)(iv)(C). The waiver of these requirements will continue for the duration of the public health emergency to allow these hospitals to meet the needs of the communities they serve during the public health emergency. The MAC shall resume standard practice for evaluation of all



Number	Requirement	Responsibility								
		A/B MAC			D M E M A C	Shared-System Maintainers				Other
		A	B	H H H		F I S S	M C S	V M S	C W F	
12070.5	For hospitals classified as SCHs prior to March 1, 2020, MACs shall resume standard practice for evaluation of distance requirements as set forth in the regulations at CFR § 412.92(a), (a)(1), (a)(2), or (a)(3) at the conclusion of the public health emergency period.	X								
12070.6	For hospitals classified as SCHs prior to March 1, 2020, MACs shall resume standard practice for evaluation of the market share requirement at 42 CFR § 412.92(a)(1)(i) or the bed limit at 42 CFR § 412.92(a)(1)(ii) after the conclusion of the public health emergency period beginning with cost reporting period(s) that begin on or after the end of the emergency declaration.	X								
12070.7	For hospitals classified as MDHs prior to March 1, 2020, MACs shall resume standard practice for evaluation of all eligibility requirements as set forth in the regulations at 42 CFR § 412.108(a) after the conclusion of the public health emergency period beginning with cost reporting period(s) that begin on or after the end of the emergency declaration.	X								

### III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			D M E M A C	C E D I
		A	B	H H H		
12070.8	MLN Article: CMS will make available an MLN Matters provider education article that will be marketed through the MLN Connects weekly newsletter shortly after the CR is released. MACs shall follow IOM Pub. No. 100-09 Chapter 6, Section 50.2.4.1, instructions for distributing MLN Connects information to providers, posting the article or a direct link to the article on your website, and including the article or a direct link to the article in your bulletin or newsletter. You may supplement MLN Matters articles with localized	X				

Number	Requirement	Responsibility				
		A/B MAC			D M E	C E D I
		A	B	H H H	M A C	
	information benefiting your provider community in billing and administering the Medicare program correctly. Subscribe to the "MLN Matters" listserv to get article release notifications, or review them in the MLN Connects weekly newsletter.					

**IV. SUPPORTING INFORMATION**

**Section A: Recommendations and supporting information associated with listed requirements:**

*"Should" denotes a recommendation.*

X-Ref Requirement Number	Recommendations or other supporting information:
	N/A

**Section B: All other recommendations and supporting information: N/A**

**V. CONTACTS**

**Pre-Implementation Contact(s):** Shevi Marciano, shevi.marciano@cms.hhs.gov

**Post-Implementation Contact(s):** Contact your Contracting Officer's Representative (COR).

**VI. FUNDING**

**Section A: For Medicare Administrative Contractors (MACs):**

The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

**ATTACHMENTS: 0**