CMS Manual System	**Department of Health & Human Services (DHHS)**
Pub 100-20 One-Time Notification	**Centers for Medicare & Medicaid Services (CMS)**
Transmittal 1195	**Date: March 1, 2013**
	Change Request 8214

SUBJECT: Inpatient Prospective Payment System (IPPS) Hospital Extensions per the American Taxpayer Relief Act of 2012

I. SUMMARY OF CHANGES: This change request provides information and implementation instructions for Sections 605 and 606 of the American Taxpayer Relief Act of 2012.

EFFECTIVE DATE: October 1, 2012
IMPLEMENTATION DATE: April 1, 2013

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.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	

III. FUNDING:
For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

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

Attachment - One-Time Notification

Pub. 100-20	Transmittal: 1195	Date: March 1, 2013	Change Request: 8214

SUBJECT: Inpatient Prospective Payment System (IPPS) Hospital Extensions per the American Taxpayer Relief Act of 2012

EFFECTIVE DATE: October 1, 2012
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I. GENERAL INFORMATION

A. Background: On January 2, 2013, President Obama signed into law the *American Taxpayer Relief Act (ATRA) of 2012*.

The new law includes the extension of certain provisions of the *Affordable Care Act*. Specifically, the following Medicare fee-for-service policies (with October 1, 2012, effective dates) have been extended.

Section 605 - Extension of Medicare Inpatient Hospital Payment Adjustment for Low-Volume Hospitals - The*Affordable Care Act* allowed qualifying low-volume hospitals to receive add-on payments based on the number of Medicare discharges. To qualify, the hospital must have less than 1,600 Medicare discharges and be 15 miles or greater from the nearest like hospital. This provision extends the payment adjustment through September 30, 2013, retroactive to October 1, 2012.

Section 606 - Extension of the Medicare-Dependent Hospital (MDH) Program - The MDH program provides enhanced payment to support small rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges. This provision extends the MDH program until October 1, 2013, and is retroactive to October 1, 2012.

B. Policy: Low-Volume Hospitals – Criteria and Payment Adjustments for FY 2013

Sections 3125 and 10314 of the Affordable Care Act amended the low-volume hospital adjustment in section 1886(d)(12) of the Act by revising, for FYs 2011 and 2012, the definition of a low-volume hospital and the methodology for calculating the low-volume payment adjustment. Prior to the recently enacted American Taxpayer Relief Act of 2012 (ATRA), beginning with FY 2013, the low-volume hospital qualifying criteria and payment adjustment had returned to the statutory requirements that were in effect prior to the amendments made by the Affordable Care Act. Section 605 of the ATRA extends, for FY 2013, the temporary changes in the low-volume hospital payment policy provided for in FYs 2011 and 2012 by the Affordable Care Act. CMS implemented the changes to the low-volume payment adjustment provided by the Affordable Care Act in the regulations at §412.101 in the FY 2011 IPPS/LTCH PPS final rule (75 FR 50238 through 50275).

To implement the extension of the temporary change in the low-volume hospital payment policy for FY 2013 provided for by section 605 of the ATRA, in accordance with the existing regulations at §412.101(b)(2)(ii) and consistent with our implementation of the those changes in FYs 2011 and 2012, CMS published a notice in the Federal Register (CMS-1588-N) updating the discharge data source used to identify qualifying low-volume hospitals and calculate the payment adjustment (percentage increase) for FY 2013.

In that notice, CMS established that for FY 2013, the low-volume payment adjustment will be determined using FY 2011 Medicare discharge data from the March 2012 update of the MedPAR files. In Table 14 of the Addendum to that notice, CMS provides a list of the IPPS hospitals with fewer than 1,600 Medicare discharges based on the March 2012 update of the FY 2011 MedPAR files. However, this list of IPPS hospitals with fewer than 1,600 Medicare discharges is not a listing of the hospitals that qualify for the low-volume adjustment in FY 2013 since it does not reflect whether or not the hospital meets the mileage

criterion (that is, to qualify for the low-volume adjustment, the hospital must also be located more than 15 road miles from any other IPPS hospital).**In order to receive the applicable low-volume hospital payment adjustment (percentage increase) for FY 2013, a hospital must meet both the discharge and mileage criteria.**

In order to receive a low-volume hospital payment adjustment for FY 2013, consistent with the previously established procedure, CMS is continuing to require a hospital to notify and provide documentation to its FI or MAC that it meets the mileage criterion. For FY 2013, a hospital should make its request for low-volume hospital status in writing to its FI or MAC and provide documentation that it meets the mileage criterion by March 22, 2013, so that the applicable low-volume percentage increase can be applied to payments for its discharges occurring on or after October 1, 2012 (that is, the beginning of FY 2013). A hospital that qualified for the low-volume payment adjustment in FY 2012 may continue to receive a low-volume payment adjustment in FY 2013, without reapplying, if it continues to meet the Medicare discharge criterion, based on the FY 2011 MedPAR data (shown in Table 14 of the Federal Register notice (available on the Internet as noted below) and the distance criterion. **However, the hospital must verify in writing to its FI or MAC that it continues to be more than 15 miles from any other "subsection (d)" hospital no later than March 22, 2013**. For requests for low-volume hospital status for FY 2013 received after March 22, 2013, if the hospital meets the criteria to qualify as a low-volume hospital, the FI or MAC will apply the applicable low-volume payment adjustment in determining payments to the hospital's FY 2013 discharges prospectively effective within 30 days of the date of the FI or MAC low-volume status determination.

FIs/MACs will verify that the hospital meets the discharge criteria by using the Medicare discharges based on the March 2012 update of the FY 2011 MedPAR files as shown in Table 14 of the Federal Register Notice (CMS-1588-N) and available on the Internet at http://www.cms.hhs.gov/AcuteInpatientPPS/01_overview.asp (click on the link on the left side of the screen titled, "FY 2013 IPPS Final Rule Home Page"). (We note that in order to facilitate administrative implementation, the only source that CMS and the FIs/MACs will use to determine the number of Medicare discharges for purposes of the low-volume payment adjustment for FY 2013 is the data from the March 2012 update of the FY 2011 MedPAR file.)

The FI/MAC shall notify CMS Central Office – Baltimore, CM/HAPG/DAC, Michele Hudson and Maria Navarro, of any changes or additions to IPPS hospitals that qualify as a low-volume hospital and the effective date of the determination for discharges occurring in FY 2013 by May 1, 2013. The notification may be sent via e-mail to Michele.Hudson@cms.hhs.gov and Maria.Navarro@cms.hhs.gov, and shall include:

- hospital's name,
- provider number,
- address (street, city, state and zip code),
- number of Medicare discharges,
- distance to the nearest IPPS hospital (as well as that hospital's address: street, city, state and zip code) by which the hospital qualified for low-volume status, and
- effective date of the low-volume hospital determination

For low-volume hospital requests received after March 22, 2013, FI/MACs shall notify CMS Central Office as above within 15 days of the determination.

In order to implement this policy for FY 2013, the Pricer will include a table containing the provider number and discharge count determined from the March 2012 update of the FY 2011 MedPAR file. The discharge count includes any billed Medicare Advantage claims in the MedPAR file but excludes any claims serviced in non-IPPS units. The table in Pricer includes IPPS providers with fewer than 1,600 Medicare discharges but does not consider whether the IPPS hospital meets the mileage criterion (that is, located more than 15 road miles from the nearest IPPS hospital).

The existing low-volume indicator field on the Provider Specific File (position 74 on the PSF – temporary relief indicator) must be updated by the FI/MAC to hold a value of "Y" if the provider qualifies for a low-volume payment adjustment for discharges occurring during FY 2013, by meeting **both the discharge and mileage criteria** set forth at§ 412.101(b)(2)(ii). Any hospital that does not meet either the discharge or mileage criteria is not eligible to receive a low-volume payment adjustment in FY 2013, and the FI/MAC must update the low-volume indicator field on the Provider specific file (position 74 on the PSF – temporary relief indicator) to hold a value of "blank" .

The applicable low-volume payment adjustment (percentage increase) is based on and in addition to all other IPPS per discharge payments, including capital, DSH, IME and outliers. For SCHs and MDHs, the applicable low-volume percentage increase is based on and in addition to either payment based on the Federal rate or the hospital-specific rate, whichever results in a greater operating IPPS payment.

Reinstatement of Medicare Dependent Hospital status

As part of ATRA of 2012, Congress reinstated the MDH program which had expired as of October 1, 2012. Generally, providers that were classified as MDHs as of the date of expiration of the MDH provision will be reinstated as MDHs effective October 1, 2012 with no need to reapply for MDH classification. There are two exceptions:

a. MDHs that classified as Sole-Community Hospitals (SCHs) on or after October 1, 2012

In anticipation of the expiration of the MDH provision, CMS allowed MDHs that applied for classification as an SCH by August 31, 2012, to be granted such status effective with the expiration of the MDH program. Hospitals that applied in this manner and were approved for SCH classification received SCH status as of October 1, 2012. Additionally, some hospitals that had MDH status as of the September 30, 2012 expiration of the MDH program may have missed the August 31, 2012 application deadline. These hospitals applied for SCH status in the usual manner instead and may have been approved for SCH status effective 30 days from the date of approval resulting in an effective date later than October 1, 2012.

b. MDHs that requested a cancellation of their rural classification under §412.103(b)

In order to meet the criteria to become an MDH, a hospital must be located in a rural area. To qualify for MDH status, some MDHs may have reclassified as rural under the regulations at §412.103. With the expiration of the MDH provision, some of these providers may have requested a cancellation of their rural classification.

Any provider that falls within either of the two exceptions listed above will not have its MDH status automatically reinstated retroactively to October 1, 2012. All other former MDHs will be automatically reinstated as MDHs effective October 1, 2012. Providers that fall within either of the two exceptions will have to reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b) and meet the classification criteria at 42 CFR 412.108(a). Specifically, the regulations at §412.108(b) require that:

1. The hospital submit a written request along with qualifying documentation to its contractor to be considered for MDH status (§412.108(b)(2)).
2. The contractor make its determination and notify the hospital within 90 days from the date that it receives the request for MDH classification (§412.108(b)(3)).
3. The determination of MDH status be effective 30 days after the date of the contractor's written notification to the hospital (§412.108(b)(4)).

Cancellation of MDH status

Medicare contractors were instructed on November 12, 2012 to provide CMS Medicare utilization data for MDHs that initially qualified as an MDH under §412.108(a)(iii)(C) (i.e., the provider had a Medicare utilization rate of at least 60 percent in, "at least two of the last three most recent audited cost reporting

periods for which the Secretary has a settled cost report"). Contractors provided CMS with the Medicare utilization rate using both Medicare days to total days and Medicare discharges to total discharges that were attributable to individuals entitled to Medicare Part A benefits for the 3 most recent settled cost reporting periods.

As required by the regulations at §412.108(b)(5), contractors must "**evaluate on an ongoing basis**" whether or not a hospital continues to qualify for MDH status. The MDH data gathered as part of TDL-13082 indicated that most MDHs that initially qualified as MDHs under §412.108(a)(iii)(C), met the 60 percent criteria in at least two of the last three most settled cost reports. However, there were many providers that were well below the 60 percent threshold and do not qualify as MDHs.

Therefore, as required by the regulations at §412.108(b)(5) and (6), the contractors shall ensure that the hospital continues to meet the MDH criteria at §412.108(a) shall notify any MDH that no longer qualifies for MDH status. The cancellation of MDH status will become effective 30 days after the date the contractor provider written notification to the hospital.

It is important to note that despite the fact some providers do not qualify as MDHs, based on their Medicare utilization rates not meeting the threshold for MDH classification, these providers could qualify for automatic reinstatement of MDH status retroactive to October 1, 2012 (unless they meet either of the two exceptions for automatic reinstatement as explained above) and would subsequently lose their MDH status prospectively.

Attachment 1 outlines the various possible actions to be followed for each former MDH and the corresponding examples for each scenario.

Notification to CMS

As part of this CR, we have included **(Attachment 2)** a listing with the following data for all providers that were classified as MDHs at the time the MDH provision expired (i.e., October 1, 2012):

4. CCN/Provider number
5. Provider name
6. Medicare Contractor

The contractor shall take appropriate action as described above for each provider in the listing for which they are responsible. The contractor shall then complete the listing for each provider and provide CMS with the following data:

d. Notification sent to provider? Yes/No

e. Action taken

f. Explanation for action taken

g. Comments

The completed listing shall be emailed to Shevi.Marciano@cms.hhs.gov and Maria.Navarro@cms.hhs.gov.

Notification to Provider

Each contractor shall notify each affected provider shown in the listing under their jurisdiction. A draft of such letter is attached (**Attachment 3)** to this CR with text corresponding to each of the 6 scenarios outlined above. Each FI/MAC shall add to each letter, information specific to that provider regarding how it is affected by the MDH program extension, that is, notifying the provider of its status under the extension of

the MDH program. The status of each former MDH will either be:

7. MDH status reinstated effective October 1, 2012.
8. MDH status not reinstated; additional action required by the provider in order to be classified as an MDH:Provider must request a cancellation of SCH status or submit a request for rural classification under §412.103.
9. MDH status reinstated and then subsequently cancelled due to the provider not continuing to meet the criteria for MDH classification under the requirements at §412.108(b) (5).

Hospital Specific (HSP) Rate Update for MDHs

For FY 2013, Medicare contractors must update the Hospital Specific (HSP) amount in the PSF for all MDHs (just as was done for all SCHs as instructed in CR 8041 (Transmittal 2539; August 31, 2012)). The HSP amount must be updated from FY 2007 dollars to FY 2012 dollars by applying an update factor of 1.132312959, which represents the product of all of the annual market basket update (i.e., applicable percentage increase) and budget neutrality factors for FYs 2008 – 2012 and the rural floor restoration factor implemented in FY 2012 to the current HSP amount in the PSF before entering this final amount in the PSF with an effective date of 10/1/2012. (Refer to Table 3 of the Attachment-Tables of CR 8041 for the factors that comprise the update factor of 1.132312959 from FY 2007 to FY 2012. The PRICER will apply the cumulative documentation and coding adjustment factor for FYs 2011 - 2013 of 0.9480 and will make future updates to the HSP amount beginning in FY 2013 and beyond.

II. BUSINESS REQUIREMENTS TABLE

Use "Shall" to denote a mandatory requirement.

Number	Requirement	Responsibility										
		A/B MAC		DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		Part A	Part B					FISS	MCS	VMS	CWF	
8214.1	CMS shall update the IPPS Pricer. Contractors shall note that the IPPS Pricer release is already reflected in CR 8067. The Pricer update shall include changes described in CR 8067, as well as this CR.											CMS
8214.2	Contractors shall update the Provider Specific File, Position 74, Temporary Relief, with a 'Y' for those hospitals that meet both the discharge and mileage criteria for low-volume.	X			X							
8214.2.1	Contractors shall update the PSF with an effective date of October 1, 2012, for those hospitals that notify their contractor by March 22, 2013, and meet the discharge and mileage criteria.	X			X							
8214.2.2	Contractors shall update the PSF prospectively for those hospitals that notify the contractor of their low-volume eligibility after March 22, 2013.	X			X							

Number	Requirement	Responsibility										
		A/B MAC		DME MAC	FI	CARRIER	RHHI	Shared-System Maintainers				Other
		Part A	Part B					FISS	MCS	VMS	CWF	
8214.3	Contractors shall notify CMS Central Office – Baltimore, CM/HAPG/DAC, Michele Hudson and Maria Navarro, of the IPPS hospitals that qualify as a low-volume hospital and the effective date of the determination for discharges occurring in FY 2013 by May 1, 2013. Contractors shall also notify CMS Central Office – Baltimore, CM/HAPG/DAC, Michele Hudson and Maria Navarro of IPPS hospitals qualified as low-volume hospitals after March 22, 2013, within 15 days of the determination.	X			X							
8214.4	Contractors shall update the PSF, File Position 55, Provider Type, with a 14 or 15 for those hospitals that qualify as a MDH for FY 2013 with an effective date of October 1, 2012.	X			X							
8214.4.1	Contractors shall complete Attachment 2 and forward to Shevi.Marciano@cms.hhs.gov and Maria.Navarro@cms.hhs.gov.	X			X							
8214.4.2	Contractors shall notify impacted hospitals with the letter in Attachment 3.	X			X							
8214.4.3	Contractors shall update the hospital specific rate in the PSF according to the policy section of this CR.	X			X							
8214.5	Contractors shall reprocess claims impacted by this CR with a discharge date on or after October 1, 2012 through the implementation date of the IPPS Pricer by June 30, 2013.	X			X							

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility					
		A/B MAC	DME	FI	CAR	RHH	Other

		Part A	Part B	MAC		RIER	I	
8214.6	MLN Article : A provider education article related to this instruction will be available at http://www.cms.hhs.gov/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their Web sites and include information about it in a listserv message within one week of the availability of the provider education article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X			X			

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A
Use "Should" to denote a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

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

V. CONTACTS

Pre-Implementation Contact(s): Michele Hudson, michele.hudson@cms.hhs.gov (For Low volume questions.) , Shevi Marciano, shevi.marciano@cms.hhs.gov (For MDH questions.) , Sarah Shirey-Losso, sarah.shirey-losso@cms.hhs.gov (For claims processing questions.) , Maria Navarro, maria.navarro@cms.hhs.gov (For Low volume and MDH questions.)

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR) or Contractor Manager, as applicable.

VI. FUNDING

Section A: For Fiscal Intermediaries (FIs), Regional Home Health Intermediaries (RHHIs):
No additional funding will be provided by CMS; Contractors activities are to be carried out with their operating budgets

Section B: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS do 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 (3)

If the provider was classified as an MDH as of the September 30, 2012 expiration of the MDH provision and the provider	Then	Example #
Did not reclassify as an SCH since October 1, 2012 and is still classified as a rural provider	MDH status will be automatically reinstated to October 1, 2012.	1
Reclassified as an SCH immediately following the expiration of the MDH provision with SCH status effective October 1, 2012	The provider's MDH status will not be automatically reinstated and the provider will have to reapply for MDH classification (§412.108(b)).	2
Reclassified as an SCH, but the effective date of SCH status was a date after October 1, 2012 and prior to the effective date of the MDH program extension on January 2, 2013	The provider's MDH status will be reinstated, effective October 1, 2012 for the portion of time during which it was not classified as an SCH. The provider's MDH status will be cancelled effective with the effective date of its SCH status. The provider will have to reapply for MDH classification (§412.108(b)).	3
Cancelled its rural classification under §412.103 effective October 1, 2012	The provider's MDH status will not be automatically reinstated and the provider will have to reapply for rural classification (§412.103(b)) and then reapply for MDH classification (§412.108(b)).	4
Cancelled its rural classification under §412.103, but the effective date of the rural status cancellation was a date after October 1, 2012 and prior to the effective date of the MDH program extension on January 2, 2013	The provider's MDH status will be reinstated for the portion of time during which it was classified as rural. The provider's MDH status will then be cancelled effective with the date that its rural classification cancellation became effective. The provider will have to reapply for rural classification (§412.103(b)) and then reapply for MDH classification (§412.108(b)).	5
Did not reclassify as an SCH and is still classified as a rural provider but has a Medicare utilization rate < 60% in the 3 most recently settled cost reports	MDH status will be automatically reinstated to October 1, 2012. The contractor will then notify the provider that it no longer meets MDH criteria and will cancel MDH status in accordance with the regulations at §412.108(b)(6).	6

Examples:

Example 1: Hospital A was classified as an MDH prior to the September 30, 2012 expiration of the MDH program. Hospital A retained its rural classification and did not reclassify as an SCH. Hospital A's MDH status will be automatically reinstated to October 1, 2012.

Example 2: Hospital B was classified as an MDH prior to the September 30, 2012 expiration of the MDH program. In accordance with the regulations at §412.92(b)(2)(v) and in anticipation of the expiration of the MDH program, Hospital B applied for classification as an SCH by August 31, 2012, and was approved for SCH status effective on October 1, 2012. Hospital B's MDH status will not be automatically

reinstated. In order to reclassify as an MDH, Hospital B must cancel its SCH status, in accordance with §412.92(b)(4), and reapply for MDH status in accordance with the regulations at §412.108(b).

Example 3: Hospital C was classified as an MDH, prior to the September 30, 2012 expiration of the MDH program. Hospital C missed the application deadline of August 31, 2012 for reclassification as an SCH under the regulations at §412.92(b)(2)(v) and was not eligible for its SCH status to be effective as of October 1, 2012. Hospitals C's Medicare contractor approved its classification request for SCH status effective November 16, 2012. Hospital C's MDH status will be reinstated but only for the portion of time in which they met the criteria for MDH status. Hospital C's MDH status will be reinstated effective October 1, 2012 through November 15, 2012 and will be cancelled effective November 16, 2012. In order to reclassify as an MDH, Hospital C must cancel its SCH status, in accordance with §412.92(b)(4), and then reapply for MDH status in accordance with the regulations at §412.108(b).

Example 4: Hospital D was classified as an MDH prior to the September 30, 2012 expiration of the MDH program. In anticipation of the expiration of the MDH program, Hospital D requested that its rural classification be cancelled in accordance with the regulations at §412.103(g). Hospital D's rural classification was cancelled effective October 1, 2012. Hospital D's MDH status will not be automatically reinstated. In order to reclassify as an MDH, Hospital D must request to be reclassified as rural under §412.103(b) and must reapply for MDH status under §412.108(b).

Example 5: Hospital E was classified as an MDH prior to the September 30, 2012 expiration of the MDH program. In anticipation of the expiration of the MDH program, Hospital E requested that its rural classification be cancelled in accordance with the regulations at §412.103(g). Hospital E's rural classification was cancelled effective January 1, 2013. Hospital E's MDH status will be reinstated but only for the portion of time in which they met the criteria for MDH status. Since Hospital E cancelled its rural status and became urban effective January 1, 2013, MDH status will only be reinstated effective October 1, 2012 through December 31, 2012 and will be cancelled effective January 1, 2013. In order to reclassify as an MDH, Hospital E must request to be reclassified as rural under §412.103(b) and must reapply for MDH status under §412.108(b).

Example 6: Hospital F was classified as an MDH prior to the September 30, 2012 expiration of the MDH provision. In response to instructions on November 12, 2012 to provide CMS Medicare utilization data for MDHs that initially qualified as an MDH under §412.108(a)(iii)(C), the contractor found that Hospital F had a Medicare utilization rate of less than 60 percent in all three of the most recently settled cost reports. Hospital F did not reclassify as an SCH nor did it drop its rural status with the expiration of the MDH provision. In this case, Hospital F's contractor will automatically reinstate its MDH status retroactive to October 1, 2012. The contractor will then notify Hospital F that it no longer qualifies for MDH status. The change in Hospital F's status (i.e., disqualification from MDH status) will become effective 30 days after the date the contractor's written notification to Hospital F.

MDH Listing - Providers that were classified as MDHs as of the date of expiration of the MDH provision on October 1, 2012

Provider Number	Provider Name	MAC	Notification Sent to Provider? (Yes/No)	Action Taken	Effective Start Date of MDH Reinstatement (if applicable)	Effective End Date of MDH Reinstatement (if applicable)	Explanation for Action Taken/Comments
010007	MIZELL MEMORIAL HOSPITAL, INC	Cahaba					
010008	CRENSHAW COMMUMITY HOSPITAL	Cahaba					
010036	COMMUNITY HOSPITAL OF ANDALUSIA	Cahaba					
010045	FAYETTE MEDICAL CENTER	Cahaba					
010047	GEORIANA DOCTORS HOSPITAL	Cahaba					
010052	LAKE MARTIN COMMUNITY HOSPITAL	Cahaba					
010073	CLAY COUNTY HOSPITAL AUTHORITY	Cahaba					
010086	NORTHWEST MEDICAL CENTER	Cahaba					
110027	TY COBB HEALTHCARE SYSTEM	Cahaba					
110032	STEPHENS COUNTY HOSPITAL AUTHORITY	Cahaba					
110059	HART COUNTY HOSPITAL	Cahaba					
110073	HOSPITAL AUTHORITY OF BEN HILL	Cahaba					
110092	DODGE COUNTY HOSPITAL AUTHORITY	Cahaba					
110190	MACON COUNTY MEDICAL CENTER, INC	Cahaba					
250044	BAPTIST MEMORIAL HOSPITAL - BOONEVILLE	Cahaba					
440007	COFFEE MEDICAL GROUP LLC	Cahaba					
440016	BAPTIST MEMORIAL HOSPITAL	Cahaba					
440020	HILLSIDE HOSPITAL	Cahaba					
440031	ROANE COUNTY MEDICAL CENTER	Cahaba					
440047	GIBSON GENERAL HOSPITAL	Cahaba					
440054	DOCTORS HOSPITAL OF MCMINN COUNTY LLC	Cahaba					
440060	MILAN GENERAL HSOPITAL INC.	Cahaba					
440070	DECATUR COUNTY GENRAL HOSPITAL	Cahaba					
440084	SWEETWATER HOSPITAL ASSOCIATION	Cahaba					
440109	HARDIN COUNTY GENERAL HOSPITAL	Cahaba					
440132	HENRY COUNTY MEDICAL CENTER'	Cahaba					
440141	RESTORATION HEALTCARE OF CELINA LLC	Cahaba					
440148	CANNON COUNTY HOSPITAL LLC	Cahaba					
440151	RIVER PARK HOSPITAL	Cahaba					
440175	CROCKETT HOSPITAL LLC	Cahaba					
440181	BOLIVAR GENERAL HOSPITAL	Cahaba					
440187	LIVINGSTON REGIONAL HOSPITAL LLC	Cahaba					
490012	LEE REGIONAL MEDICAL CENTER	Cahaba					
490027	MOUNTAIN VIEW REGIONAL MEDICAL CENTER	Cahaba					
100081	Healthmark Regional Medical Center	FCSO					
100118	Memorial Hospital of Flagler	FCSO					
100156	Lake City Medical Center	FCSO					
440050	Takoma Regional Hospital	FCSO					
440180	Jellico Community Hospital	FCSO					
080006	Nanticoke Memorial Hospital	Highmark - 12					
390008	Ellwood City Hospital	Highmark - 12					
390031	Schuylkill Medical Center	Highmark - 12					
390052	Clearfield Hospital	Highmark - 12					
390125	Wayne Memorial Hospital	Highmark - 12					
390138	Waynesboro Memorial Hospital	Highmark - 12					
390146	Warren General Hospital	Highmark - 12					
390150	Southwest Reg Med Center	Highmark - 12					
390183	Miners Memorial Medical Center	Highmark - 12					
390189	Shamokin Area Community Hospital	Highmark - 12					
390199	Punxsutawney Area Hospital Inc.	Highmark - 12					
390233	Hanover General Hospital	Highmark - 12					
070021	Windham Memorial	NGS					
230040	Pennock Hospital	NGS					
330033	Chenango Mem. Hospital	NGS					
330047	St. Marys Healthcare	NGS					
330108	St. Joseph's	NGS					
330144	I. Davenport Mem. Hospital	NGS					
330215	Rome Memorial Hospital	NGS					
330268	Bassett of Schoharie Cty	NGS					
330276	N. Littauer Hospital	NGS					
330277	Corning Hospital	NGS					
520034	Aurora Medical Center / Two Rivers	NGS					
520102	Lakeland Medical Center	NGS					
520107	Holy Family Hospital	NGS					
520116	Watertown Hospital	NGS					
140011	Herrin Hospital	NGS T18					
140026	St. Marys Hospital Streator	NGS T18					
140034	St. Mary's Hospital	NGS T18					
140043	CGH Medical Center	NGS T18					
140059	Jersey Community Hospital	NGS T18					
140110	Ottawa Regional Hospital & Healthcare Center	NGS T18					
140143	St. Margaret's Hospital	NGS T18					
140145	St. Joseph Hospital	NGS T18					
140147	Richland Memorial Hospital	NGS T18					
140160	FHN-Memorial Hospital	NGS T18					
140234	Illinois Valley Community Hospital	NGS T18					

200018	Aroostook Medical Center	NGS					
200031	Cary Medical Center	NGS					
200041	Inland Hospital	NGS					
200050	Maine Coast Memorial Hospital	NGS					
220051	North Adams Regional Hospital	NGS					
300019	Cheshire	NGS					
470011	Brattleboro	NGS					
470012	Southern Vt. Med. Ctr.	NGS					
500007	Island Hospital	Noridian					
240043	MAYO CLINIC HEALTH SYSTEM ALBERT LEA	Noridian Legacy					
240071	DISTRICT ONE HOSPITAL	Noridian Legacy					
240117	MAYO CLINIC HEALTH SYSTEM AUSTIN	Noridian Legacy					
040002	Johnson Regional	Novitas					
040072	Baptist Health - Stuttgart	Novitas					
040076	Hot Spring County	Novitas					
060071	Delta County memorial Hospital	Novitas					
190133	Allen Parish Hospital	Novitas					
190140	Franklin Medical Center	Novitas					
190145	LaSalle General Hospital	Novitas					
190151	Richardson Medical Center	Novitas					
190184	Citizens Medical Center	Novitas					
250002	Tishomingo Health	Novitas					
250017	Trace Regional Hospital	Novitas					
250018	Jasper General Hospital	Novitas					
250020	Webster General Hospital	Novitas					
250049	South Pike Hospital	Novitas					
250051	Kilmichael Hospital	Novitas					
250059	Montfort Jones Hospital	Novitas					
250061	Yalobusha General Hospital	Novitas					
250079	Sharkey Issaquena	Novitas					
250085	Marion General Hospital	Novitas					
370015	Mayes Co. Medical Center	Novitas					
370030	Blackwell Regional Hospital	Novitas					
370072	Latimer Co. General Hospital	Novitas					
370083	Pushmataha Hospital	Novitas					
370099	Cushing Regional Hospital	Novitas					
370100	Choctaw County/City of Hugo Hospital	Novitas					
370103	Sayre Memorial Hospital, Inc.	Novitas					
370169	EPIC Medical Center	Novitas					
370178	Adair Conty Health Center	Novitas					
450078	Anson General	Novitas					
450188	East Texas Medical Center Clarksville	Novitas					
450235	Gonzales Healthcare System	Novitas					
450243	Hamlin Memorial	Novitas					
450270	Lake Whitney Memorial Hospital	Novitas					
450370	Columbus Community Hospital	Novitas					
450373	East Texas Medical Center Mount Vernon	Novitas					
450438	Colorado Fayette Medical Center	Novitas					
450451	Glen Rose Medical Center	Novitas					
450497	Bowie Memorial Hospital	Novitas					
450597	Cuero Community Hosital	Novitas					
450615	Atlanta Memorial Hospital	Novitas					
450641	Nocona General Hospital	Novitas					
450694	El Campo Memorial Hospital	Novitas					
450749	East Texas Medical Center Trinity	Novitas					
450770	Central Texas Healthcare	Novitas					
340011	Blue Ridge Regional Hospital	Palmetto					
340024	Sampson Regional Medical Center	Palmetto					
340087	The McDowell Hospital	Palmetto					
340097	Hugh Chatham Memorial Hospital	Palmetto					
340099	Roanoke-Chowan Hospital	Palmetto					
340132	Maria Parham Medical Center	Palmetto					
340160	Murphy Medical Center	Palmetto					
490019	Culpeper Memorial Hospital, Inc.	Palmetto					
490038	Smyth County Community Hospital	Palmetto					
490114	Lonesome Pine Hospital	Palmetto					
490116	Pulaski Community Hospital	Palmetto					
490117	Tazewell Community Hospital	Palmetto					
510018	Jackson General Hospital	Palmetto					
510038	Stonewall Jackson Memorial Hospital	Palmetto					
510062	Appalachian Regional Healthcare, Inc.	Palmetto					
510082	Summerville Memorial Hospital	Palmetto					
050014	Sutter Amador Hospital	Palmetto J1					
050225	Feather River Hospital	Palmetto J1					
180016	Jewish Hospital Shelbyville	Palmetto J15					
180053	Fleming County Hospital	Palmetto J15					
180066	Logan Memorial Hospital, LLC	Palmetto J15					
180069	Appalachian Regional Healthcare, Inc.	Palmetto J15					
180070	Grayson County Hospital	Palmetto J15					
180079	Harrison Memorial Hospital	Palmetto J15					
180087	Taylor County Hospital District Health Facilities	Palmetto J15					

180105	Monroe County Medical Center	Palmetto J15					
180106	Clinton County Hospital, Inc.	Palmetto J15					
180115	Rockcastle County Hospital, Inc.	Palmetto J15					
180149	Adair County Hospital District	Palmetto J15					
360002	Samaritan Regional Health System	Palmetto J15					
360032	Joint Township District Memorial Hospital	Palmetto J15					
360044	Wayne Hospital Company	Palmetto J15					
360071	Van Wert County Hospital	Palmetto J15					
360089	Mercy Hospital of Tiffin, Ohio	Palmetto J15					
360121	Community Hospitals and Wellness Centers	Palmetto J15					
010022	Cherokee Medical Center	WPS					
040118	NEA Medical Center	WPS					
110189	Fannin Regional Hospital	WPS					
140040	Galesburg Cottage Hosp	WPS					
140064	OSF St Mary Medical Ctr	WPS					
140184	Heartland Reg Med Ctr	WPS					
140294	Crossroads Comm Hospital	WPS					
150003	St. Elizabeth Medical Center	WPS					
150022	St. Clare Medical Center	WPS					
150030	Henry County Memorial Hospital	WPS					
150102	Starke Memorial Hospital	WPS					
160008	Keokuk Area Hospital	WPS					
160032	Skiff Medical Center	WPS					
160112	Spencer Municipal Hosp	WPS					
160122	Fort Madison Comm Hosp	WPS					
160124	Lakes Regional Healthcare	WPS					
160147	Grinnell Reg Medical Ctr	WPS					
170010	Mercy Hospital	WPS					
170058	Mercy Health Center	WPS					
170105	Memorial Hospital Inc	WPS					
170145	Coffeyville Reg Med Ctr	WPS					
170150	S Cen Ks Reg Med Ctr	WPS					
190034	Abbeville General Hosp	WPS					
190090	Winn Parish Medical Ctr	WPS					
190099	Avoyelles Hospital	WPS					
190167	Ville Platte Med Center	WPS					
230078	Community Hospital	WPS					
230096	Sturgis Hospital	WPS					
260047	Capital Region Med Ctr	WPS					
260061	Nevada Reg Medical Center	WPS					
260080	Ripley County Memorial Ho	WPS					
260160	Missouri Southern Hlth	WPS					
260163	Parkland Health Center	WPS					
260175	Golden Valley Memorial Ho	WPS					
260186	Lake Regional Health Sys	WPS					
280032	Mary Lanning Mem Hospital	WPS					
280077	Fremont Area Med Center	WPS					
340106	Sandhills Reg Med Center	WPS					
340133	Martin General Hospital	WPS					
390072	Berwick Hospital Center	WPS					
390084	Sunbury Community Hosp	WPS					
420019	Chester Reg Med Center	WPS					
440008	Henderson Co Comm Hosp	WPS					
440051	McNairy Reg Hospital	WPS					
440061	Volunteer Comm Hosp	WPS					
440174	Haywood Park Comm Hosp	WPS					
440192	White County Comm Hosp	WPS					
490002	Russel County Medical Center	WPS					
190106	Oakdale Community Hosp	WPS					

[DATE]

HOSPITAL CONTACT
HOSPITAL NAME
HOSPITAL ADDRESS
CITY, STATE, ZIP

Re: Section 606 of the American Taxpayer Relief Act of 2012 Extension of the Medicare-Dependent, Small Rural Hospital Program

Provider Name:
CMS Certification Number(CCN): xx-xxxx

Dear {contact name},

As part of the American Taxpayer Relief Act of 2012, Congress reinstated the Medicare Dependent Hospital (MDH) program which had expired as of October 1, 2012. Generally, providers that were classified as MDHs prior to the expiration of the MDH provision will be reinstated as MDHs effective October 1, 2012 with no need to reapply for MDH classification. This letter serves as notification regarding {Provider Name's} MDH status.

<Insert any of the following paragraphs, as applicable:>

1. <*{Provider Name}* will be reinstated to MDH status effective October 1, 2012. No additional action is required on your part.>

2. <*{Provider Name}* had requested classification for SCH status and was approved effective October 1, 2012. This SCH classification precludes {*Provider Name}* from being reinstated as an MDH. Therefore, in order to be classified as an MDH, *{Provider Name}* must request a cancellation of its SCH status in accordance with the regulations at 42 CFR 412.92(b)(4) and then reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

3. < {*Provider name}* requested classification for SCH status and was approved effective *{effective date - after 10/01/2012 and before 01/02/2013*}. *{Provider Name's}* MDH status will be reinstated effective October 1, 2012 through *{enter date of day immediately prior to effective date of SCH classification}* and will be cancelled effective *{enter effective date of SCH classification}*. In order to be classified as an MDH, {*Provider Name}* must request a cancellation of its SCH status in accordance with the regulations at 42 CFR 412.92(b)(4) and reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

4. <*{Provider Name}* requested a cancellation of its rural status under 42 CFR 412.103 and was approved for the cancellation effective October 1, 2012. This cancellation precludes {*Provider Name}* from being reinstated as an MDH. Therefore, in order to be classified as an MDH, *{Provider Name}* must submit a request for reclassification as a rural hospital under the regulations at 42 CFR 412.103 (b) then and reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

5. < {*Provider name}* requested a cancellation of its rural status under 42 CFR 412.103 and was approved for the cancellation effective *{effective date - after 10/01/2012 and before 01/02/2013*}. *{Provider Name's}* MDH status will be reinstated effective October 1, 2012 through *{enter date of day immediately prior to effective date of cancellation of rural classification}* and will be cancelled effective *{enter effective date of cancellation of rural classification}*. In order to be classified as an MDH, {*Provider Name}* must submit a request for reclassification as a rural hospital under the regulations at 42 CFR 412.103 (b) and then reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

6. <This letter serves as notification that *{Provider Name}* will be reinstated to MDH status effective October 1, 2012. However, it has come to our attention that {Provider Name} no longer meets the criteria for MDH status under 42 CFR 412.108(a)(1)(iii)(C). Based on {enter Medicare utilization during applicable cost reporting periods}, {Provider Name} has {enter the percentage of days/discharges} and consequently does not meet the 60% Medicare inpatient utilization requirement in at least two of the last three most recent settled cost report for which the hospital has a settled cost report. Therefore, {Provider Name's} MDH classification will be cancelled effective {date = 30 days from date of notification}.

   Under the regulations at 42 CFR 412.108(b)(7), in order to be reclassified as an MDH, a hospital may reapply only after another cost report has been audited and settled.>

If you have any questions, please contact me at *{insert phone number}*.

Sincerely,