

<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 2443</b>	<b>Date: March 13, 2020</b>
	<b>Change Request 11674</b>

**SUBJECT: Schedule and Policies for Termination of the Rural Community Hospital Demonstration**

**I. SUMMARY OF CHANGES:** The Rural Community Hospital Demonstration (RCHD) was originally authorized for five years by Section 410A of the Medicare Modernization Act of 2003, extended for another 5-year period by sections 3123 and of the Affordable Care Act, and extended again for 5 years in 2016 by the 21st Century Cures Act (Cures Act). Under CMS's policies for implementing the extension period under the Cures Act, the periods of participation for hospitals participating in the RCHD will begin to end during calendar year 2020. This CR details the schedule and specific policies pertaining to the termination of the RCHD for all participating hospitals.

**EFFECTIVE DATE: April 30, 2020**

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

**IMPLEMENTATION DATE: June 12, 2020**

*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

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**SUBJECT: Schedule and Policies for Termination of the Rural Community Hospital Demonstration**

**EFFECTIVE DATE: April 30, 2020**

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**IMPLEMENTATION DATE: June 12, 2020**

## I. GENERAL INFORMATION

**A. Background:** As of January 1, 2020, 27 hospitals are participating in the Rural Community Hospital Demonstration (RCHD), which was mandated for a five-year period by section 410A of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), extended for another 5 years by section 3123 and 10313 of the Affordable Care Act (ACA), and again for 5 years by section 15003 of the 21st Century Cures Act (Cures Act).

There are three groups of participating hospitals:

- **Round 1 Hospitals:** Out of 18 hospitals chosen between 2004 and 2008, four hospitals are still participating in the demonstration. The ACA grandfathered these hospitals, making them eligible for the second 5-year period. In the Fiscal Year (FY) 2018 Inpatient Prospective Payment System (IPPS) final rule, the Centers for Medicare & Medicaid Services (CMS) finalized the terms of continued participation for previously participating (Round 1 and 2) hospitals under the third RCHD 5-year period, mandated by the Cures Act. For each of these hospitals, the RCHD cost-based methodology was applied to the end of the period authorized by the ACA; therefore, specifically for the four (4) Round 1 hospitals, this extension period began on a staggered basis, with start dates ranging from May 1, 2015 through October 1, 2015. Thus, the demonstration period of participation will have staggered end dates – from April 30, 2020 through September 30, 2020.

Brookings Medical Center began its participation in the demonstration on January 1, 2009, pursuant to a solicitation for additional participants in 2008 that allowed hospitals to participate for the remainder of the initial 5-year period authorized by section 410A of the MMA. Under the terms of its demonstration agreement, the initial period of performance for the hospital concluded September 30, 2010. Under the terms of the extension authorized by the ACA, the hospital's participation for that extension period ended on September 30, 2015. The 5-year period of participation under the Cures Act will end September 30, 2020.

- **Round 2 Hospitals:** Eleven hospitals are participating as a result of the ACA expansion. Per the terms of continuation applying to the Cures Act extension, these hospitals began the current 5-year period with cost report start dates ranging from May 1, 2016 to January 1, 2017; for these hospitals, the demonstration period of participation will have staggered end dates – from April 30, 2021 to December 31, 2021.
- **Round 3 Hospitals:** Twelve hospitals are participating as a result of the most recent solicitation under the Cures Act. These hospitals are participating for 5-year periods starting from October 1, 2017 through July 1, 2018; their end dates will be from September 30, 2022 through June 30, 2023.

Change Request (CR) 10373 states the payment methodology for the demonstration, and identifies the participating hospitals and their start and end dates. Two hospitals listed in this CR have voluntarily withdrawn from the demonstration, while one has closed. Attachment 1 of this CR identifies the start and

end dates for the hospitals that have continued participation.

There are four Medicare Administrative Contractors (MACs) servicing the demonstration hospitals: Noridian Healthcare Solutions, LLC, Wisconsin Physician Services Insurance Corporation (WPS), Novitas Solutions, Inc., National Government Services, Inc. (NGS).

**B. Policy:**

1. Enhanced interim payments

This CR instructs the MACs to end any enhanced interim payments that the hospitals are receiving under the demonstration upon the end date for the current participation period. Attachment 1 identifies the currently participating hospitals, along with their periods of participation, including end dates.

2. Final Settlement of Cost Reports

a. The MACs shall conduct the final settlement of cost reports in accordance with the instructions on the payment methodology provided by CR 10373 and other CRs finalized for the demonstration.

b. For the current period of the demonstration for Brookings Medical Center, this CR instructs Noridian to conduct the final settlement according to the demonstration payment methodology on the period from January 1, 2020 to September 30, 2020.

**II. BUSINESS REQUIREMENTS TABLE**

*"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.*

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		
11674.1	The MACs shall end any enhanced interim payments that the hospitals are receiving under the demonstration upon the end date for the current participation period. Attachment 1 identifies the currently participating hospitals, along with their periods of participation, including end dates.	X									
11674.2	The MACs shall conduct the final settlement of cost reports in accordance with the instructions on the payment methodology provided by CR 10373 and other CRs finalized for the demonstration.	X									
11674.2.1	For the current cost report period for Brookings Medical Center, Noridian shall conduct the final settlement according to the demonstration payment methodology on the period from January 1, 2020 to September 30, 2020.	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		
	None					

**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
	N/A

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

**V. CONTACTS**

**Pre-Implementation Contact(s):** Siddhartha Mazumdar, 410 786 6673 or Siddhartha.Mazumdar@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: 1**

## Appendix 1: Rural Community Hospital Demonstration

### Participating Hospitals and Periods of Participation for Cures Act Extension (Round 3)

	Hospital Name	FYE	Participation Period	Base Period
	<b>Round 1 Hospitals – Previously Participating</b>			
1	Central Peninsula Hospital – 20024; Soldatna, AK	6/30	7/1/2015 – 6/30/2020	7/1/2015 – 6/30/2016
2	Bartlett Regional Hospital – 20008; Juneau, AK	6/30	7/1/2015 – 6/30/2020	7/1/2015 – 6/30/2016
3	Brookings Health Center – 430008; Brookings, SD	12/31	10/1/2015- 9/30/2020	10/1/2015 – 9/30/2016
4	Columbus Community Hospital - 280111; Columbus, NE	4/30	5/1/2015 - 4/30/2020	5/1/2015 – 4/30/2016
	<b>Round 2 Hospitals – Previously Participating</b>			
5	Delta County Memorial Hospital – 60071; Delta, CO	12/31	1/1/2017 -12/31/2021	1/1/2017 – 12/31/2017
6	Yampa Valley Medical Center – 60049; Steamboat Springs, CO	9/30	10/1/2016 -9/30/2021	10/1/2016 – 9/30/2017
7	St. Anthony Regional Hospital – 160005; Carroll, IA	6/30	7/1/2016 – 6/30/2021	7/1/2016 – 6/30/2017
8	Grinnell Regional Medical Center – 160147; Grinnell, IA	12/31	1/1/2017 – 12/31/2021	1/1/2017 – 12/31/2017
9	Skiff Medical Center – 160032; Newton, IA	6/30	7/1/2016 – 6/30/2021	7/1/2016 - 6/30/2017
10	Lakes Regional Healthcare -160124; Spirit Lake, IA	6/30	7/1/2016 – 6/30/2021	7/1/2016 – 6/30/2017
11	Geary Community Hospital – 170074; Junction City, KS	4/30	5/1/2016 – 4/30/2021	5/1/2016 – 4/30/2017
12	Bob Wilson Memorial Hospital - 170110; Ulysses, KS	12/31	1/1/2017 -12/31/2021	1/1/2017 – 12/31/2017
13	Maine Coast Memorial Hospital - 200050; Ellsworth, ME	9/30	10/1/2016 – 9/30/2021	10/1/2016 – 9/30/2017
14	Marion General Hospital -250085; Columbia, MS	9/30	10/1/2016 – 9/30/2021	10/1/2016 – 9/30/2017
15	Alta Vista Regional Hospital - 320003; Las Vegas, NM	8/31	9/1/2016 – 8/31/2021	9/1/2016 – 8/31/2017
	<b>Round 3 Hospitals – Newly Participating</b>			
16	Montrose Memorial Hospital – 060006; Montrose, CO	12/31	1/1/2018 -12/31/2022	1/1/2018 – 12/31/2018
17	Trinity Regional Medical Center – 160016; Fort Dodge, IA	12/31	1/1/2018 -12/31/2022	1/1/2018 – 12/31/2018
18	St. John’s Medical Center – 530015; Jackson, WY	6/30	7/1/2018 – 6/30/2023	7/1/2018 – 6/30/2019
19	Valley View Hospital -060075; Glenwood Springs, CO	12/31	1/1/2018 - 12/31/2022	1/1/2018 – 12/31/2018
20	Great Plains Regional Medical Center – 370019; Elk City, OK	6/30	7/1/2018 – 6/30/2023	7/1/2018 – 6/30/2019
21	Aroostook Medical Center – 200018; Presque Isle, ME	9/24	10/1/2017 – 9/30/2022	10/1/2017 – 9/30/2018
22	Anderson Regional Medical Center - South -250081; Meridian, MS	9/30	10/1/2017 – 9/30/2022	10/1/2017 – 9/30/2018

23	Avera St. Luke's Hospital -430014; Aberdeen, SD	6/30	7/1/2018 – 6/30/2023	7/1/2018 – 6/30/2019
24	Highland Community Hospital - 250117; Picayune, MS	9/30	10/1/2017 – 9/30/2022	10/1/2017 – 9/30/2018
25	Morton County Health System - 170166; Elkhart, KS	12/31	1/1/2018 – 12/31/2022	1/1/2018 – 12/31/2018
26	St. Anthony Summit Medical Center -060118; Frisco, CO	6/30	7/1/2018 – 6/30/2023	7/1/2018 – 6/30/2019
27	Avera Queen of Peace – 430013; Mitchell, SD	6/30	7/1/2018 – 6/30/2023	7/1/2018 – 6/30/2019