



## **MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP**

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**DATE:** August 14, 2013

**TO:** Medicare Advantage Regional Preferred Provider Organizations

**FROM:** Danielle R. Moon, J.D., M.P.A. Director

**SUBJECT:** 2014 Essential Hospital Designation and Attestation

The purpose of this memorandum is to advise Medicare Advantage (MA) Regional Preferred Provider Organizations (RPPOs) that they must designate essential hospitals by **Friday, October 4, 2013**.

The Medicare Prescription Drug Improvement and Modernization Act (MMA) of 2003 allowed RPPOs to designate non-contracting hospitals as “essential hospitals” in rural areas to ensure adequate access to inpatient hospital services for Medicare beneficiaries enrolled in RPPOs. Essential hospitals do not contract with RPPOs but are essential for providing access to inpatient emergency hospital services to rural enrollees. In addition, the MMA allowed bonus payments to these hospitals providing inpatient care services to Medicare beneficiaries.

RPPOs seeking to designate a non-contracting hospital as an essential hospital must establish a HIPAA-compliant electronic claims transmission connection with Noridian, which serves as the Medicare Administrative Contractor for CMS. To ensure that the bonus payments are processed in a timely manner your organization must be properly connected to Noridian. Please contact Kevin Friezen at (701) 277-5232 by **September 13, 2013** to discuss the system requirements.

Current RPPOs that received approval of their essential hospital designations in 2013 must provide CMS with updated Essential Hospital Designation Tables and signed attestations for all hospitals that the RPPO would like designated as essential for 2014 by **Friday, October 4, 2013**. Please indicate any additions or deletions to your 2013 approved hospital list when you submit this updated list.

You must provide written documentation (e.g., emails or letters to/from hospital) showing your organization made a “good faith” effort to contract with each hospital you seek to designate as essential. You must also demonstrate there are no competing hospitals in the area pursuant to CFR §422.112 (c). CMS will review your request and notify you of our decision by **Friday, November 1, 2013**.

The RPPO Essential Hospital Designation Table and attestation are attached to this memo. Please follow the instructions on the Designation Table and send your updated Essential Hospital Designation Tables and attestations to CMS by **Friday, October 4, 2013**. Tables may be submitted to: [Melissa.Staud@cms.hhs.gov](mailto:Melissa.Staud@cms.hhs.gov).

You must also mail two copies of the attestation with original signatures to:

Ms. Melissa Staud  
Centers for Medicare & Medicaid Services  
7500 Security Boulevard, MS C4-21-26  
Baltimore, Maryland 21244.

If you have questions concerning this document or need assistance, please contact Melissa Staud at 410-786-3669.