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MEMORANDUM

DATE: June 27, 2008

TO: Medicare Advantage Regional Preferred Provider Organizations

FROM: David A. Lewis /s/
Director, Medicare Advantage Group

SUBJECT: Essential Hospital Designation Requests and Marketing Guidelines

The purpose of this memorandum is to update guidance issued to Regional Preferred Provider Organizations (RPPOs) on January 16, 2007 (attached). Per that guidance, RPPOs with an existing contract must submit any essential hospital designation requests for non-contracted hospitals in July of each contract year. The submitted hospital requests will be reviewed for a possible effective date of January 1 of the following contract year. The January 16, 2007, guidance also provides instructions on submitting essential hospital designation requests and establishing a HIPAA compliant electronic claims transmission with Noridian, which serves as the CMS contractor for processing any additional payments for essential hospitals.

This memorandum updates previous guidance by directing that RPPOs that choose to list approved essential hospitals in beneficiary communications, such as provider directories and websites, must meet the disclosure requirements referenced in the attached July 30, 2007, memorandum that requires RPPOs to clearly explain the process for seeking services from a non-contracted provider. To mitigate complaints CMS has received from approved essential hospitals that are listed in RPPO materials, if a hospital contacts CMS requesting not to be designated as essential or listed in a RPPO's beneficiary communications, materials listing that hospital as a designated hospital must be revised to include a statement that the particular hospital is not accepting the RPPO plan.

Please send your updated 2009 Essential Hospital Designation Tables and attestations to CMS by Friday, July 18, 2008, to:

Daniella Stanley
CMS
7500 Security Blvd.
Mail Stop: C4-22-04
Baltimore, MD 21244

If you have questions concerning this document or need assistance, please contact Daniella Stanley at Daniella.Stanley@cms.hhs.gov or (410) 786-3723.