



Related MLN Matters Article #: SE0582

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MMA – Sunset of the Provider Nomination Provision and the Policy to Assign Providers to the Local Fiscal Intermediary (FI)

Key Words

SE0582, Provider, Nomination, Provision, Policy, Assignment, Expired, MACS, ROs, Puerto, Rico, Virgin, Islands, CHOW, Sunset

Provider Types Affected

Providers billing Medicare Fiscal Intermediaries (FIs)

Key Points

- The Centers for Medicare & Medicaid Services (CMS) has announced that the provider nomination provision contained under Title XVIII of the Social Security Act, Section 1816 (http://www.ssa.gov/OP_Home/ssact/title18/1816.htm) expired on September 30, 2005.
- The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA, Section 911(d) (2) (B) <http://www.cms.hhs.gov/MMAUpdate>) allows CMS to take appropriate steps to transition from agreements under Section 1816 of the Social Security Act to contracts with Medicare Administrative Contractors (MACs) under section 1874A.
- Effective immediately, CMS no longer allows freestanding or independent providers that enter the Medicare program to express a preference for a particular FI.
- The CMS Regional Offices (ROs) must assign the new provider to the designated local FI.
- For Puerto Rico and the U.S. Virgin Islands, providers must be assigned to Cooperativa de Seguros de Vida de Puerto Rico.
- In situations where there is a Change of Ownership (CHOW), and the new owner does not accept assignment of the existing provider agreement, the new owner will be considered as a new applicant to the program.
- In this situation, the new owner will have to go through the application process, have the state survey agency (SA) perform a survey, and receive approval from the RO. Then the provider will be given a new provider number and will be assigned to the local Blue Cross plan.

- Exceptions to this policy will be made for new and existing freestanding specialty providers, provider-based facilities, and providers that belong to CMS-certified chain organizations as follows:
 - Freestanding specialty providers such as (but not limited to) home health agencies (HHAs) and hospices will continue to be assigned to their designated specialty FIs;
 - Provider-based facilities will continue to be assigned to the audit FI that serves the parent provider;
 - New providers that belong to CMS-recognized chains have the option to be assigned to the local Blue Cross plan or to the FI that serves the chain home office; and
 - Providers involved in CHOWs where the new owner accepts assignment of the existing provider agreement will remain with their current FI.

Important Links

<http://www.cms.hhs.gov/MLNMattersArticles/downloads/SE0582.pdf>

http://www.cms.hhs.gov/ContractingGeneralInformation/Downloads/02_ICdirectory.pdf