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Do you have your NPI? National Provider Identifiers (NPIs) will be required on claims sent on or after May 23, 2007. Every health care provider needs to get an NPI. Learn more about the NPI and how to apply for an NPI by visiting <http://www.cms.gov/Medicare/Quality-Initiatives-Patient-Assessment-Instruments/PQRS/index.html> on the CMS website.

MLN Matters Number: MM5020 Revised

Related Change Request (CR) #: 5020

Related CR Release Date: April 14, 2006

Effective Date: October 1, 2004

Related CR Transmittal #: R45DEMO

Implementation Date: July 14, 2006

MMA - Method of Cost Settlement for Inpatient Services for Rural Hospitals Participating Under Demonstration Authorized by Section 410A of the Medicare Modernization Act

Note: This article was updated on July 12, 2013, to reflect current Web addresses. This article was previously revised on August 29, 2011, to add a reference to MLN Matters Article MM7505 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM7505.pdf>) to advise providers that this demonstration has been extended for an additional 5 years. All other information remains the same.

Provider Types Affected

Rural hospitals participating under the demonstration authorized by section 410A of the Medicare Modernization Act (MMA) that bill Medicare fiscal intermediaries (FIs) for their services

Key Points

- The Centers for Medicare & Medicaid Services (CMS) has changed the method of reimbursement for inpatient services for rural hospitals participating under the demonstration authorized by section 410A of the Medicare Modernization Act (MMA) by changing the way interim payments are calculated and administered for the project. Change Request (CR) 5020 provides further instructions on the settlement process for the first and second years of the demonstration.

Disclaimer

This article was prepared as a service to the public and is not intended to grant rights or impose obligations. This article may contain references or links to statutes, regulations, or other policy materials. The information provided is only intended to be a general summary. It is not intended to take the place of either the written law or regulations. We encourage readers to review the specific statutes, regulations and other interpretive materials for a full and accurate statement of their contents.

- CR5020 applies **only** for the 13 identified demonstration hospitals as shown in Tables A and B of this article. As shown in CR5020, the reasonable cost payment will apply to the 4 hospitals that discontinued participation in the demonstration for the period during which they did participate.
- For specific information relating to the calculation and payment methodology and administration of the interim payments for rural hospitals participating under the demonstration authorized by section 410A of the MMA, please refer to "*Attachment A – Payment Methodology for Years 2 through 5*" and to the *Business Requirements* attached to CR5020.

Background

The Medicare Prescription Drug Improvement and Modernization Act of 2003 (MMA) mandates a demonstration that establishes rural community hospitals. Eligible rural community hospitals are located in a rural area, have fewer than 51 acute care beds, make available 24-hour emergency services, and are not eligible for Critical Access Hospital designation. Thirteen hospitals participated in the first year of the demonstration. Of these, four terminated their participation in December 2005.

Additional Information

CR5020 is the official instruction issued to your FI regarding changes mentioned in this article, MM5020. CR5020 may be found by going to <http://www.cms.gov/Regulations-and-Guidance/Guidance/Transmittals/downloads/R45DEMO.pdf> on the CMS website.

Please refer to your local FI if you have questions about this issue. To find your FI's toll-free phone number, go to <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

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Appendix A

TABLE A: Currently participating hospitals selected for the demonstration and their fiscal intermediaries

Provider No.	Hospital Name	City, State	Contractor Number	Contractor Name	Cost Report End Date
20024	Central Peninsula General Hospital	Soldotna, Alaska	430	Noridian	6/30
20008	Bartlett Regional Hospital	Juneau, Alaska	430	Noridian	6/30
270002	Holy Rosary Healthcare	Miles City, Montana	250	BCBS of Montana	5/31
270032	Northern Montana Hospital	Havre, Montana	250	BCBS of Montana	6/30
280111	Columbus Community Hospital	Columbus, Nebraska	52280	Mutual of Omaha	4/30
290006	Banner Churchill Community Hospital	Fallon, Nevada	52280	Mutual of Omaha	12/31
320013	Holy Cross Hospital	Taos, New Mexico	400	Trailblazers	5/31
430048	Lookout Memorial Hospital	Spearfish, South Dakota	11	Cahaba	6/30
460033	Garfield Memorial Hospital	Panguitch, Utah	350	Noridian	12/31

TABLE B: Hospitals that withdrew from the demonstration in December 2005

Provider					
280117	Tri-County Area Hospital District	Lexington, Nebraska	260	BCBS of Nebraska	6/30
280054	Beatrice Community Hospital and Health Center	Beatrice, Nebraska	52280	Mutual of Omaha	9/30
280108	Phelps Memorial Health Center	Holdrege, Nebraska	260	BCBS of Nebraska	12/30
280021	Community Hospital	McCook, Nebraska	260	BCBS of Nebraska	6/30

Please note: Hospitals in Table B will undergo audit and cost report settlement for the period during which they participated in the demonstration. However, since the hospitals will not continue to participate, their settlement amounts will not be used to calculate payment amounts for future years.

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