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

**Note:** This article was revised on March 25, 2014, to add a reference to MLN Matters® article MM8442 (<http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM8442.pdf>) which amends the "Medicare Claims Processing Manual" to show that provider chains and individual providers are no longer permitted to select the fiscal intermediary or MAC of their choice. All other information remains the same.

### Provider Types Affected

Providers billing Medicare fiscal intermediaries (FIs)

### Provider Action Needed



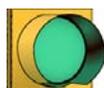
#### STOP – Impact to You

This special edition article is based on the Centers for Medicare & Medicaid Services (CMS) recent instructions to Medicare fiscal intermediaries (FIs) regarding the sunset of the provider nomination provision contained under Title XVIII of the Social Security Act, Section 1816, which expired on September 30, 2005.



#### CAUTION – What You Need to Know

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.



#### GO – What You Need to Do

See the *Background* section of this article for further details.

#### Disclaimer

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## Background

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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](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) 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.

Therefore, **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.**

**Note:** 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. They 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:

- Is given a new provider number; and
- Will be assigned to the local Blue Cross plan.

This is because the provider will be treated as a new enrollee if they do not accept assignment of the provider agreement. For state jurisdiction designations, please refer to the Intermediary-Carrier Directory, which is posted on the CMS website at [http://www.cms.gov/About-CMS/Contracting-With-CMS/ContractingGeneralInformation/downloads/02\\_ICdirectory.pdf](http://www.cms.gov/About-CMS/Contracting-With-CMS/ContractingGeneralInformation/downloads/02_ICdirectory.pdf) on the CMS website.

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;
- Providers involved in CHOWs where the new owner accepts assignment of the existing provider agreement will remain with their current FI.

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These measures are effective immediately and are consistent with the effective and efficient administration of the Medicare program.

### Additional Information

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If you have any questions, please contact your FI on their toll free number, which is available at <http://www.cms.gov/Research-Statistics-Data-and-Systems/Monitoring-Programs/provider-compliance-interactive-map/index.html> on the CMS website.

You may want to review MM5979 (Assignment of Providers to Medicare Administrative Contractors) which alerts providers that in order to assist the Medicare community with the transition of workload from legacy FIs and carriers to the Medicare Administrative Contractors (MACs), **reassignment of a provider from one FI/MAC to another FI/MAC is generally frozen, effective May 19, 2008**. MM5979 may be found at <http://www.cms.gov/outreach-and-education/medicare-learning-network-mln/mlnmattersarticles/downloads/MM5979.pdf> on the CMS

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