

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: November 8, 2016

TO: Medicare Advantage Regional Preferred Provider Organizations

FROM: Kathryn A. Coleman, Director

SUBJECT: Contract Year 2017 Essential Hospital Designation and Attestation

The purpose of this memorandum is to advise Medicare Advantage (MA) Regional Preferred Provider Organizations (RPPOs) that they must request CMS approval to designate essential hospitals by **Wednesday, November 30, 2016**.

Pursuant to 42 CFR 422.112(c), RPPOs may request CMS's approval 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. RPPOs requesting essential hospital designation for one or more non-contracted hospitals must submit the following information to CMS:

- An RPPO Hospital Designation Table;
- Signed Attestation demonstrating the RPPO's "good faith" effort to establish a contract pursuant to Section 1858(h) of the Social Security Act (the Act) and 42 CFR 422.112(c)(3); and
- Written documentation, such as emails or letters to and from each hospital on the table demonstrating the RPPO's attempts at contracting.

The RPPO Essential Hospital Designation Table and attestation are attached to this memo. RPPOs must send their Essential Hospital Designation requests to CMS by **Wednesday, November 30, 2016**. Please note that RPPOs that received approval of their essential hospital designations in Contract Year (CY) 2016 must re-submit those hospitals for CMS approval in CY 2017. RPPOs shall submit their requests to our portal mailbox under the Medicare Advantage tab at: <https://dmao.lmi.org>. Please use "Essential Hospital Designation Request" as your issue title when submitting your request through this mailbox.

CMS intends to provide its approval of essential hospital designation requests no later than December 16, 2016. RPPOs that receive CMS approval and designate a non-contracting hospital as an essential hospital must establish a HIPAA-compliant electronic claims transmission connection with Noridian Healthcare Solutions, LLC (Noridian). Noridian serves as the Medicare Administrative Contractor responsible for administering essential hospital bonus payments on behalf of CMS.