# PROVIDER REIMBURSEMENT REVIEW BOARD DECISION

2026-D16

**PROVIDER –**
Enloe Medical Center

**PROVIDER NO**. –
05-0039

**vs.**

**MEDICARE CONTRACTOR –**
Noridian Healthcare Solutions c/o Cahaba Safeguard Administrators (J-E)

**RECORD HEARING DATE –**
September 29, 2025

**FEDERAL FISCAL YEAR –**
2024

**CASE NO. –**
24-0695

**INDEX**


**Page No.**

**Issue Statement** ..... **2**

**Decision** ..... **2**

**Introduction** ..... **2**

**Statement of the Relevant Facts** ..... **2**

**Statement of the Relevant Law** ..... **3**

**Discussion, Findings of Facts, and Conclusions of Law** ..... **4**

**Decision** ..... **9**

## ISSUE STATEMENT:

Whether the Centers for Medicare & Medicaid Services ("CMS") properly determined that Enloe Medical Center's ("Provider" or "Enloe") Federal Fiscal Year ("FFY") 2024 Hospital Inpatient Prospective Payment System ("IPPS") annual payment update ("APU") should be reduced by one quarter because the Provider allegedly did not meet the quality data submission requirements for the Hospital Inpatient Quality Reporting Program ("QRP").[1]

## DECISION:

After considering Medicare law and regulations, the arguments presented, and the evidence admitted, the Provider Reimbursement Review Board ("Board" or "PRRB") finds that CMS properly imposed the annual payment update penalty, in accordance with 42 U.S.C. § 1395ww(b)(3)(B)(viii).

## INTRODUCTION:

Enloe Medical Center is an acute care hospital located in Chico, California.[2] The Medicare Administrative Contractor[3] assigned to Enloe for this appeal is Noridian Healthcare Solutions c/o Cahaba Safeguard Administrators ("Medicare Contractor").

By letter dated May 31, 2023, CMS notified Enloe that, for FFY 2024 IPPS, its APU would be reduced by one quarter due to Enloe's failure to submit the annual Maternal Morbidity Structural Measure.[4] Following Enloe's formal request[5] for reconsideration of its determination, CMS issued a July 25, 2023 reconsideration decision in which it upheld the payment reduction.[6]

Enloe has timely appealed CMS' determination to the Board and met the jurisdictional requirements for a hearing. The Board approved a record hearing on September 29, 2025. Enloe was represented by Sven Collins, Esquire, of Hooper, Lundy & Bookman, P.C. The Medicare Contractor was represented by Charles Moreland, Esquire, of Federal Specialized Services.

## STATEMENT OF RELEVANT FACTS:

Enloe acknowledges that it failed to submit a response to the CY 2022 Maternal Morbidity Structural Measure by the IQR reporting deadline (May 15, 2023).[7] Specifically, the Provider stipulates that it did "not realiz[e] that the Maternal Morbidity Structural Measure questionnaire response was separate from the data that had been timely submitted."[8] Additionally, the

---

[1] Joint Request for Record Hearing at 1 (Sept. 25, 2025).
[2] Provider's Preliminary Position Paper (hereinafter "Provider's PPP") at 1 (Sept. 13, 2024).
[3] CMS' payment and audit functions under the Medicare program were historically contracted to organizations known as fiscal intermediaries ("FIs") and these functions are now contracted with organizations known as Medicare Administrative Contractors ("MACs"). The term "Medicare contractor," as used herein, refers to both FIs and MACs as appropriate and relevant.
[4] Exhibit (hereinafter "Ex.") P-5 at 2.
[5] Ex. P-6.
[6] Ex. P-7.
[7] Stipulations (hereinafter "Stip.") at ¶ 5 (Sept. 25, 2025).
[8] *Id*.

Provider's Request for Reconsideration states that "unfortunately the two-part question Maternal Morbidity Structural measure was missed in oversite [sic]."[9] The Provider also attributes the missed submission to "staffing changes during the year 2022 related to retirement and COVID19 [.]"[10]

**STATEMENT OF RELEVANT LAW:**

The data submission requirements under the Hospital IQR Program are set forth in 42 C.F.R. § 412.140 (Oct. 1, 2022), which states, in pertinent part:

> (c) Submission and validation of Hospital IQR Program data.
>
> (1) General rule. Except as provided in paragraph (c)(2) of this section, subsection (d) hospitals that participate in the Hospital IQR Program must submit to CMS data on measures selected under section 1886(b)(3)(B)(viii) of the Act ***in a form and manner, and at a time, specified by CMS***. A hospital must begin submitting data on the first day of the quarter following the date that the hospital submits a completed Notice of Participation form under paragraph (a)(3) of this section.
>
> (2) Extraordinary circumstances exceptions. CMS may grant an exception with respect to quality data reporting requirements in the event of extraordinary circumstances ***beyond the control of the hospital***. CMS may grant an exception as follows:
>
> (i) For circumstances not relating to the reporting of electronic clinical quality measure data, a hospital participating in the Hospital IQR Program that wishes to request an exception with respect to quality data reporting requirements must submit its request to CMS within 90 days of the date that the extraordinary circumstances occurred. For circumstances relating to the reporting of electronic clinical quality measures, a hospital participating in the Hospital IQR Program that wishes to request an exception must submit its request to CMS by April 1 following the end of the reporting calendar year in which the extraordinary circumstances occurred. Specific requirements for submission of a request for an exception are available on QualityNet website.
>
> (ii) CMS may grant an exception to one or more hospitals that have not requested an exception if: CMS determines that a systemic problem with CMS data collection systems directly affected the ability of the hospital to submit data; or if CMS determines that an extraordinary circumstance has affected an entire region or locale.[11]

---

[9] Ex. P-6.

[10] *Id*.; *see also* Stipulations at ¶ 7 ("The Director then informed CMS that staffing changes in the Analyst position responsible for reporting may have led to not responding to the questionnaire.").

[11] (Emphasis added.)

A hospital that fails to report the required quality data under the IQR program is penalized by a reduction of the hospital's Inpatient Prospective Payment System ("IPPS") market basket percentage increase for the relevant year, as explained in 42 C.F.R. § 412.64(d)(2)(i) (Oct. 1, 2022):

> (i) In the case of a "subsection (d) hospital," as defined under section 1886(d)(1)(B) of the Act, that does not submit quality data on a quarterly basis to CMS, in the form and manner specified by CMS, the percentage increase in the market basket index (as defined in § 413.40(a)(3) of this chapter) for prospective payment hospitals is reduced –
>
> . . .
>
> (C) For fiscal year 2015 and subsequent fiscal years, by one-fourth.

**Standard of Review and Burden of Proof**

A Board decision must include findings of fact and conclusions of law that "the provider carried its burden of production of evidence and burden of proof by establishing, by a preponderance of the evidence, that the provider is entitled to relief on the merits of the matter at issue."[12] Additionally, "[a] decision by the Board shall be based upon the record made at such hearing, which shall include the evidence considered by the [Medicare contractor] and such other evidence as may be obtained or received by the Board, and shall be supported by substantial evidence when the record is viewed as a whole."[13] In *Consolidated Edison Co. v. NLRB*, 305 U.S. 197, 217 (1938), the U.S. Supreme Court held, "[s]ubstantial evidence is more than mere scintilla. It means such relevant evidence as a reasonable mind might accept as adequate to support a conclusion."[14] Accordingly, in an appeal before the Board, a provider must prove by a preponderance of substantial, relevant evidence that it is entitled to the relief sought. Further, the "Board shall afford great weight to interpretive rules, general statements of policy, and rules of agency organization, procedure, or practice established by CMS."[15]

**DISCUSSION, FINDINGS OF FACT, AND CONCLUSIONS OF LAW:**

To find in favor of Enloe (*i.e.*, to find that the one-fourth APU reduction does *not* apply), the Board must find that, unless exempted under applicable law, Enloe submitted the Hospital IQR program quality measures in the "*form and manner, and at a time, specified by CMS*."[16] Each

---

[12] 42 C.F.R. § 405.1871(a)(3).
[13] 42 U.S.C. § 1395oo(d). This statutory provision also confirms: "[t]he Board shall have the power to affirm, modify, or reverse a final determination of the fiscal intermediary with respect to a cost report and to make any other revisions on matters covered by such cost report (including revisions adverse to the provider of services) even though such matters were not considered by the intermediary in making such final determination." *See also* 42 C.F.R. § 405.1869(a).
[14] *See also Pomona Valley Hosp. Med. Ctr. v. Becerra*, 82 F. 4th 1252, 1258-59 (D.C. Cir. 2023).
[15] 42 C.F.R. § 405.1867.
[16] 42 C.F.R. § 412.140(c)(1) (as of Oct. 1, 2022).

year, information on the form and manner and time are published by CMS.[17] The Maternal Morbidity Structural Measure must be submitted on an annual basis between April 1 and May 15 (time) via the Hospital Quality Reporting Secure Portal (form and manner).[18]

### *A. The Maternal Morbidity Structural Measure*

In pertinent part, the parties' joint Stipulations set forth the following in the *Authorities* section:

> *CMS's Adoption of Maternal Morbidity Structural Measure*
>
> In the FFY 2022 IPPS final rule,[] CMS added the Maternal Morbidity Structural Measure to the IQR reporting requirements, effective for the FFY 2023 IQR and subsequent years.[] CMS explained the measure as follows:
>
> > To report on this measure, hospitals will respond to a two-part question:
> >
> > ''Does your hospital or health system participate in a Statewide and/or National Perinatal Quality Improvement Collaborative Program aimed at improving maternal outcomes during inpatient labor, delivery and postpartum care, and has it implemented patient safety practices or bundles related to maternal morbidity to address complications, including, but not limited to, hemorrhage, severe hypertension/preeclampsia or sepsis?''
> >
> > Hospitals will then choose from the following response options: (A) ''Yes''; (B) ''No''; or (C) ''N/A (our hospital does not provide inpatient labor/delivery care)'' and will submit responses once a year via a CMS-approved web-based tool on the QualityNet website.
>
> 86 Fed. Reg. at 45362-363. CMS also stated that "hospitals will receive credit for the reporting of their measure results, regardless of their responses to the attestation question." *Id*. at 45365.[19]

Additionally, the Board takes administrative notice of guidance that was publicly available prior to the May 15, 2023 submission deadline. Particularly, an August 1, 2022 CMS Fact Sheet

---

[17] *See* Fiscal Year 2024 Hospital Inpatient Quality Reporting Program Guide (available at https://www.qualityreportingcenter.com/globalassets/2022/03/iqr/2.-hospital-iqr-fy-2024-program-guide_vfinal508.pdf) (last accessed May 19, 2026).
[18] *Id*. at 15.
[19] Stip. at 3 (citations omitted).

stated, "*The Maternal Morbidity Structural Measure* is an attestation specified to capture whether hospitals are: (1) participating in a structured state or national Perinatal Quality Improvement (QI) Collaborative; and (2) implementing patient safety practices or bundles as part of these QI initiatives."[20] Moreover, notice is also taken of the Fact Sheet linked to the *Description of Maternal Morbidity Structural Measure* that explicitly stated, "Hospitals participating in the Hospital Inpatient Quality Reporting Program ***must*** answer the questions during the CMS specified time period."[21]

Enloe argues that "CMS failed to provide adequate education relating to the purported requirement of this Structural Measure[,]"[22] and that the use of the description "Maternal Morbidity Structural Measure ***data***" in the reminder emails misled and misdirected their staff "into believing that it had fully complied with its IQR submission for the Maternal Morbidity Structural Measure[.]"[23] By contrast, Enloe also affirms that they "had answered [the measure] in the affirmative the previous year."[24] Thus, in 2022 (the previous year), Enloe was fully aware that the Maternal Morbidity Structural Measure is a two-part attestation question that was required for Hospital IQR Program compliance.[25]

Relative to the FY 2024 submission deadline, it is clear that, at that time, Enloe's staff did not understand what the Maternal Morbidity Structural Measure was—***before*** it received any reminders from CMS. In fact, upon receiving the four (4) reminders between May 4 – May 11, 2023, Enloe's staff "mistakenly perceived that CMS's emails pertained to certain required data for a quality measure of maternal care known as 'PC-01 … Elective Delivery.'"[26] But the PC-01 or Elective Delivery Measure is a Chart-Abstracted Clinical Process of Care Measure with a medical record data source[27] while the Maternal Morbidity is a Structural Measure with a web-based tool data source—and submission of both separate and distinct measures was ***required*** for FY 2024 Hospital IQR Program APU.[28] Moreover, even though the reminders attached the word "data" to the measure name in certain instances, ***each of the six (6) reminders sent between May 4, 2023 and May 15, 2023*** clearly stated:

---

[20] *See* Fact Sheet dated August 1, 2022 and entitled "FY 2023 Hospital Inpatient Prospective Payment System (IPPS) and Long Term Care Hospitals (LTCH PPS) Final Rule – CMS-1771-F Maternal Health" (available at: https://www.cms.gov/newsroom/fact-sheets/fy-2023-hospital-inpatient-prospective-payment-system-ipps-and-long-term-care-hospitals-ltch-pps-1) (last accessed May 19, 2026) (italics emphasis in original).

[21] Description of Maternal Morbidity Structural Measure (available at https://www.cms.gov/files/document/maternal-morbidity-structural-measure-specifications.pdf) (last accessed May 19, 2026) (emphasis added).

[22] Provider's PPP at 12.

[23] Provider's Response to MAC's Preliminary Position Paper (hereinafter "Provider's Response to MAC's PPP") (April 14, 2025) at 3-5.

[24] Provider PPP at 12.

[25] Despite complying with the requirement for FY 2023, Provider asserts that unless the Board finds that it is entitled to its full FY 2024 APU, it plans to challenge "CMS's IQR measures, policy, regulations, and/or guidance as substantively and/or procedurally invalid under 5 U.S.C. § 706(2)(A)." *See* Provider's PPP at 13, Fn. 4; *see also* Provider's Response to MAC's PPP at 3, Fn. 2.

[26] Stip. at ¶ 3.

[27] *See also* Stip. at ¶ 3 ("The Hospital's PC-01 data is abstracted from patient charts and reported by a third-party vendor, known as Midas.").

[28] Provider Ex. P-11 at P0038.

> Hospitals submit the Maternal Morbidity Structural Measure data using the Inpatient Web-Based Data Collection Tool via the *Hospital Quality Reporting Secure Portal*. For more information, please refer to the 4Q 2022 Hospital IQR Program Checklist.
>
> **IMPORTANT NOTE: Reporting of the Maternal Morbidity Structural Measure is mandatory for all hospitals.**[29] If you do not provide labor/delivery care the Inpatient Prospective Payment System (IPPS) Measure Exception form, that can be used for the PC-01 measure, **cannot** be applied to the structural measure and you will need to provide a response to the structural measure. In this case, you would select N/A.
>
> **Data Submission Verification:** To verify the status of your Maternal Morbidity Structural Measure data submission, you may run your hospital Provider Participation Report and other applicable reports in the *Hospital Quality Reporting Secure Portal*.[30]

Thus, CMS' appendage of the word "data" to the measure name is not what caused Enloe's failure to comply with the Maternal Morbidity Structural Measure—a lack of understanding what the measure is and a failure to follow the guidance in the six (6) reminders did.[31]

### *B. Form, Manner, and Time*

As mentioned, the Maternal Morbidity Structural Measure question is submitted via the Hospital Quality Reporting Secure Portal between April 1 and May 15 for the prior CY.[32] The parties have stipulated that, between May 4, 2023 and May 15, 2023, CMS sent six (6) e-mail reminders to Enloe that read, in relevant part: "Our most recent report indicates that your hospital has not yet submitted the Maternal Morbidity Structural Measure data for calendar year (CY) 2022."[33] Enloe acknowledges they did not submit a response to the Maternal Morbidity Structural Measure questionnaire by the reporting deadline because it did not understand that the required questionnaire was not synonymous with the PC-01 data submission.[34]

Based on Enloe's admission that it did not submit the required questionnaire, the Board finds that the record does not support that the required CY 2022 Maternal Morbidity Structural Measure data was submitted in the *form, manner, and time* specified by CMS.

### *C. Exception and Extension Requirements*

---

[29] (Bold highlighting in original, underline highlighting indicates yellow highlighting in original.)
[30] *See* Provider Ex. P-3 at P0010, P0012, P0014, P0016, P0018, P0020 (original emphasis and highlighting).
[31] Also note that the Hospital Analyst focused their inquiries on Midas submissions of the PC-01 data, despite the emails being specific to the Maternal Morbidity Structural Measure.
[32] Provider Ex. P-3 at P0010.
[33] Stip. at ¶¶ 2, 4. *See also* Ex. P-3 at P0010, P0012, P0014, -P0016, P0018, and -P0020.
[34] *Id.* at ¶ 5.

*1. The "Extraordinary Circumstances" Exception Request*

At the outset, with reference to any "extraordinary circumstances" averred by Enloe, it is important to highlight that an evaluation of extraordinary circumstances is relative to the exception request requirements set forth in 42 C.F.R. § 412.140(c)(2), whereby "CMS may grant an exception with respect to quality data reporting requirements in the event of extraordinary circumstances *beyond the control of the hospital.*"[35] However, 42 C.F.R. § 412.140(e)(3) (Oct. 1, 2022) specifically states, "A hospital that is dissatisfied with a decision made by CMS on its reconsideration request may file an appeal with the Provider Reimbursement Review Board under part 405, subpart R of this chapter." Accordingly, appeals before the Board are relative to the reconsideration process.

Notwithstanding the foregoing, 42 C.F.R. § 412.140(c)(2)(i) (Oct. 1, 2022) provides that relative to non-electronic clinical quality measures, a hospital must submit a request to CMS for an exception "within 90 days of the date that the extraordinary circumstances occurred."[36] In this case, the Board finds that there was no such request submitted to CMS. Thus, in the absence of the required exception request, the Board may not find that CMS did not properly assess any purported extraordinary circumstances and that upon reconsideration, it improperly upheld a denial of an exception request. Assuming arguendo that Enloe had submitted the request (or even taking their reasons under consideration absent such a request), as discussed above, the evidence presented to the Board does not substantiate an extraordinary circumstance outside of Enloe's control.[37]

*2. Exceptions for a CMS Systemic Problem or Regional Impact*

In the absence of an exception request, CMS may, on its own accord, grant an exception if it discovers a systemic problem with CMS data collection systems.[38] Here, the Board finds that there was no evidence presented to warrant a finding that there was a systemic problem with CMS' data collection systems that directly affected the ability of Enloe to submit data, or that an extraordinary circumstance affected the entire region or locale.

***D. Reconsideration Request***

A reconsideration request must be submitted no later than thirty (30) days from the date of the Hospital Inpatient Quality Reporting Program Annual Payment Update Notification Letter.[39] Enloe timely submitted a reconsideration request on June 2, 2023.[40] Upon consideration of the request, CMS upheld their Noncompliance Decision via letter dated July 25, 2023.[41]

---

[35] 42 C.F.R. § 412.140(c)(2) (Oct. 1, 2022) (emphasis added).
[36] *See* 42 C.F.R. § 412.140(c)(2)(i).
[37] *See* Black's Law Dictionary (12th ed. 2024) (which defines "extraordinary" as "1. Beyond what is usual, customary, regular, or common… 4. Of, relating to, or involving an occurrence, esp. an incident or accident, that would not have been foreseeable to someone of normal prudence[.]")
[38] *See* 42 C.F.R. § 412.140(c)(2)(ii) (Oct. 1, 2022).
[39] *See* 42 C.F.R. § 412.140(e)(1) (Oct 1, 2022).
[40] *See* Stip. at ¶ 7. *See also* Ex. P-6.
[41] Ex. P-7.

The submission of a reconsideration request does not guarantee that CMS will find that the submission meets the applicable criteria for overturning a penalty decision. The obligation to meet the IQR Program requirements solely rests with the organization. Here, the organization was notified of its non-compliance ***six*** times prior to the reporting deadline. Despite any confusion that may have existed regarding CMS' use of the word "data," it was the responsibility of the provider organization to utilize all resources available in an effort to complete the requirements in a form and manner, and at a time, specified by CMS. Accordingly, the Board finds that Enloe failed to timely submit the required Maternal Morbidity Structural Measure and that CMS correctly denied the reconsideration request.

* * * * *

For the reasons stated above, the Board concludes that Enloe Medical Center has not proven by a preponderance of substantial, relevant evidence that is it entitled to the relief sought.

**DECISION:**

After considering Medicare law and regulations, the arguments presented, and the evidence admitted, the Board finds that CMS properly imposed the APU penalty, in accordance with 42 U.S.C. § 1395ww(b)(3)(B)(viii)(II).

**BOARD MEMBERS PARTICIPATING:**

Kevin D. Smith, CPA
Ratina Kelly, CPA
Nicole E. Musgrave, Esq.
Shakeba DuBose, Esq.

**FOR THE BOARD:**

5/26/2026

X Kevin D. Smith, CPA

Kevin D. Smith, CPA
Board Chair
Signed by: Kevin D. Smith -A