



## **Instructions to Medicare Administrative Contractors (MACs) on COVID-19 Emergency Declaration Blanket Waivers for Medicare-Dependent, Small Rural Hospitals and Sole Community Hospitals**

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Related Change Request (CR) Number: 12070

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Related CR Transmittal Number: R10530OTN

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### **PROVIDER TYPES AFFECTED**

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This MLN Matters Article is for Medicare-Dependent, Small Rural Hospitals and Sole Community Hospitals (SCHs) billing Medicare Administrative Contractors (MACs for services provided to Medicare beneficiaries.

### **WHAT YOU NEED TO KNOW**

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This article informs you about actions we, CMS are taking to help health care providers contain the spread of COVID-19 with the COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers. Be sure your billing staffs are aware of these updates.

### **BACKGROUND**

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The Administration is taking aggressive actions and exercising regulatory flexibilities to help health care providers contain the spread of COVID-19 with the COVID-19 Emergency Declaration Blanket Waivers for Health Care Providers.

We are empowered to take proactive steps through 1135 waivers (found in Section 1135 of the Social Security Act) and rapidly expand the Administration's aggressive efforts against COVID-19, including through blanket waivers. A summary of the blanket waivers is available at <https://www.cms.gov/files/document/summary-covid-19-emergency-declaration-waivers.pdf>.

All items covered in related CR 12070 are effective for hospital discharges or cost-reporting periods, as applicable, occurring on or after the start of the COVID-19 emergency declaration blanket waiver period, effective March 1, 2020, through the end of the emergency declaration.

## Hospitals Classified as Sole Community Hospitals (SCHs)

We are waiving certain eligibility requirements as set forth in the regulations at 42 Code of Federal Regulations (CFR), Section 412.92(a), for hospitals classified as SCHs prior to the Public Health Emergency (PHE). Specifically, we are waiving the distance requirements at [42 CFR 412.92\(a\)](#), (a)(1), (a)(2), and (a)(3), which require that SCHs, among other criteria, be located either more than 35 miles, 25-35 miles, 15-25 miles, or a 45-minute drive time from another like hospital, respectively.

These waivers will continue for the duration of the PHE. MACs will resume standard practice for evaluation of all eligibility requirements after the conclusion of the PHE. We are also waiving the “market share” requirement at [42 CFR 412.92\(a\)\(1\)\(i\)](#), which requires that no more than 25% of residents who become hospital inpatients or no more than 25% of the Medicare beneficiaries who become hospital inpatients in the hospital's service area are admitted to other like hospitals located within a 35-mile radius of the hospital, or, if larger, within its service area.

Lastly, we are waiving the bed requirement at [42 CFR 412.92\(a\)\(1\)\(ii\)](#), which requires that the SCH have fewer than 50 beds.

The “market share” requirement at 42 CFR 412.92(a)(1)(i) and the bed requirement at [42 CFR 412.92\(a\)\(1\)\(ii\)](#) will be waived for any cost reporting period(s) that include any portion of the blanket waiver period that began March 1, 2020, through the end of the emergency declaration. MACs will resume standard practice for evaluation of all eligibility requirements after the conclusion of the PHE, beginning with cost reporting period(s) that begin on or after the end of the PHE.

## Hospitals Classified as Medicare-Dependent, Small Rural Hospitals (MDHs)

We are waiving certain eligibility requirements as set forth in the regulations at [42 CFR 412.108\(a\)](#), for hospitals classified as MDHs prior to the PHE. Specifically, we are waiving the requirement that the hospital have 100 or fewer beds during the cost-reporting period at [42 CFR 412.108\(a\)\(1\)\(ii\)](#).

We are also waiving the requirement that at least 60% of the hospital's inpatient days or discharges were attributable to individuals entitled to Medicare Part A benefits during the specified hospital cost-reporting periods at [42 CFR 412.108\(a\)\(1\)\(iv\)\(C\)](#).

These waivers will continue during specified hospital cost reporting periods that include any portion of the blanket waiver period that began March 1, 2020 to allow these hospitals to meet the needs of the communities they serve during the PHE. MACs will resume standard practice for evaluation of all eligibility requirements after the conclusion of the PHE, beginning with cost reporting period(s) that begin on or after the end of the PHE.

## ADDITIONAL INFORMATION

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The official instruction, CR 12070, issued to your MAC regarding this change, is available at <https://www.cms.gov/files/document/r10530otn.pdf>.

For more information on issues related to COVID-19 and Medicare provider impact, see the MLN Matters Special Edition article, [SE20011](#).

If you have questions, your MACs may have more information. Find their website at <http://go.cms.gov/MAC-website-list>.

## DOCUMENT HISTORY

Date of Change	Description
December 23, 2020	Initial article released.

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