



MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: July 31, 2026

TO: Medicare Advantage Organizations

FROM: Gerard J. Mulcahy
Director

SUBJECT: Coverage of the Religious Nonmedical Health Care Institution Benefit

This memo reminds Medicare Advantage (MA) organizations of their responsibility to cover care in a religious nonmedical health care institution (RNHCI) for eligible enrollees.

RNHCI's furnish nonmedical nursing items and services to individuals who choose to rely solely upon a religious method of healing, and for whom the acceptance of medical services would be inconsistent with their religious beliefs. Eligible RNHCI's are extended care hospitals certified by Medicare where eligible beneficiaries who need inpatient hospital or posthospital extended care services may choose to go to receive treatment.

Care provided in RNHCI's is covered under Original Medicare as a Part A inpatient service, based on section 1821 of the Social Security Act and the regulations at 42 CFR 403, Subpart G regarding conditions of coverage of RNHCI services.

It has come to our attention that MA enrollees seeking access to care from a RNCHI provider often face lengthy delays in having payment for those services approved, and the providers themselves report regular issues having claims adjudicated in a timely manner. We want to remind coordinated care plans that they may contract with RNHCI's as an in-network provider. If a plan chooses not to include RNHCI's in their network, RNHCI coverage must be treated as an in-network benefit based on 42 CFR § 422.112(a)(1)(iii), which requires MA plans to arrange for and cover any medically necessary covered benefit outside of the plan provider network, but at in-network cost sharing, when an in-network provider or benefit is unavailable or inadequate to meet an enrollee's medical needs. MA plans may only treat a RNHCI as out-of-network for cost-sharing purposes when the plan has a contract with another RNHCI in the service area (a contracted SNF is not the same as a RNHCI and does not fulfill this requirement).

MA organizations are generally required to reimburse non-contracting providers, which is often the case with RNHCI services in MA, at least the Original Medicare rate for Medicare covered services. In situations where plans must pay the Medicare amount for RNHCI services, plans must accept from providers the same billing forms used to bill Original Medicare. For service claims, RNHCI's bill as institutional providers using the ASC X12 837 institutional claim transaction and, where a paper exception applies or a payer accepts paper claims, Form CMS-1450 (UB-04). CMS separately instructs that RNHCI election, revocation, and cancellation notices are not HIPAA standard claim transactions and are not supported by the 837 institutional transactions. MA organizations therefore should not expect an RNHCI election notice to appear

as a standard 837I service claim and should instead have a process to verify the enrollee's valid election when needed for coverage review.

MA organizations should ensure they do not reject RNHCI claims merely because the claim lacks conventional medical procedure coding or multiple medical diagnoses. CMS's instructions state that, for RNHCI claims with statement covers "through" dates on or after October 1, 2014, the RNHCI may report principal diagnosis code R69 and other diagnosis code Z53.1, that the RNHCI reports no additional diagnosis codes, and that RNHCI do not use other fields relating to medical diagnoses and medical procedures.¹

Common RNHCI claim elements that an MA organizations should be prepared to accept include type of bill 410, 411, 412, 413, 414, 417, and 418; revenue codes 0001, 0120, and 0270; value codes 80, 81, 82, and 83; diagnosis codes R69 and Z53.1; type-of-admission code 3 or 9; condition codes 67 and 68 where applicable; occurrence codes 20 and A3; and occurrence span code 74.

Because many RNHCI costs are bundled or non-covered, MA organizations should calibrate payment edits accordingly. CMS instructs that Medicare does not pay for the religious portion of care or for training of nonmedical personnel; many supply and equipment items are included in the daily room-and-board/per diem amount; and high-cost medical supplies requiring a physician order, as well as equipment such as wheelchairs, walkers, or crutches used during the stay, are not separately payable RNHCI claim lines. Plans therefore should expect RNHCI claims to center on room-and-board and utilization-day reporting rather than conventional medical line-item billing.²

MA organizations should review their utilization management, provider data, prior authorization, and claims adjudication systems to confirm that eligible RNHCI admissions can be authorized and paid without manual workarounds, inappropriate provider-type denials, or avoidable clean-claim rejections. Plans also should educate provider relations and customer service teams that RNHCI care is a Medicare Part A basic benefit for eligible enrollees and that service claims from RNHCI are submitted to the enrollee's MA plan.

Lastly, we would also remind plans that they are required to meet existing timeframes and notice requirements for standard and expedited organization determinations related to RNHCI services. Per 42 CFR 422.572(d), if the MA organization must receive medical information from noncontract providers related to a request for an expedited organization determination, the MA organization must request the necessary information from the noncontract provider within 24 hours of the initial request for an expedited organization determination. Noncontract providers must make reasonable and diligent efforts to expeditiously gather and forward all necessary information to assist the MA organization in meeting the required timeframe. Regardless of whether the MA organization must request information from noncontract providers, the MA organization is responsible for meeting the timeframe and notice requirements.

¹ See CMS Manual System, Pub 100-04 Medicare Claims Processing, Transmittal 2765: Diagnosis Code Reporting on Religious Nonmedical Health Care Institution Claims. <https://www.cms.gov/regulations-and-guidance/guidance/transmittals/downloads/r2765cp.pdf>

² Ibid.

Please send questions regarding the RNHCI benefit to the Medicare Part C policy mailbox at:
<https://dpap.lmi.org/>.