CMS Manual System	Department of Health & Human Services (DHHS)
Pub 100-04 Medicare Claims Processing	Centers for Medicare & Medicaid Services (CMS)
Transmittal 3281	**Date: June 5, 2015**
	Change Request 9197

Transmittal 3263, dated May 22, 2015, is being rescinded and replaced by Transmittal 3281 to correct the extension through date of the Medicare Dependent Hospital (MDH) program in Attachment 3, draft Notification to Provider letter. All other information remains the same.

SUBJECT: Inpatient Prospective Payment System (IPPS) Hospital Extensions per the Medicare Access and CHIP Reauthorization Act of 2015

I. SUMMARY OF CHANGES: This change request provides information and implementation instructions for Sections 204 and 205 of the Medicare Access and CHIP Reauthorization Act of 2015. The attached Recurring Update Notification applies to chapter 3, section 20.3.4.

EFFECTIVE DATE: April 1, 2015
**Unless otherwise specified, the effective date is the date of service.*
IMPLEMENTATION DATE: July 6, 2015

Disclaimer for manual changes only: The revision date and transmittal number apply only to red italicized material. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual is not updated)
R=REVISED, N=NEW, D=DELETED-*Only One Per Row.*

R/N/D	CHAPTER / SECTION / SUBSECTION / TITLE
N/A	N/A

III. FUNDING:
For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

IV. ATTACHMENTS:

Recurring Update Notification

Attachment - Recurring Update Notification

Pub. 100-04	Transmittal: 3281	Date: June 5, 2015	Change Request: 9197

Transmittal 3263, dated May 22, 2015, is being rescinded and replaced by Transmittal 3281 to correct the extension through date of the Medicare Dependent Hospital (MDH) program in Attachment 3, draft Notification to Provider letter. All other information remains the same.

SUBJECT: Inpatient Prospective Payment System (IPPS) Hospital Extensions per the Medicare Access and CHIP Reauthorization Act of 2015

EFFECTIVE DATE: April 1, 2015
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IMPLEMENTATION DATE: July 6, 2015

I. GENERAL INFORMATION

A. Background: On April 16, 2015, President Obama signed into law the Medicare Access and CHIP Reauthorization Act of 2015. The new law includes the extension of certain provisions of the Affordable Care Act. Specifically, the following Medicare IPPS fee-for-service policies have been extended through September 30, 2017.

Section 204 – Extension of Increased Inpatient Hospital Payment Adjustment for Certain Low-Volume Hospitals

The Affordable Care Act provided for temporary changes to the low-volume hospital adjustment for fiscal years (FYs) 2011 and 2012. To qualify, the hospital must have less than 1,600 Medicare discharges and be located 15 miles or more from the nearest IPPS hospital.

Section 205 - Extension of the Medicare-Dependent Hospital (MDH) Program - The MDH program provides enhanced payment to support small rural hospitals for which Medicare patients make up a significant percentage of inpatient days or discharges.

The temporary changes to the low-volume hospital adjustment and the MDH program have been extended by the following legislation:

- the American Taxpayer Relief Act of 2012 extended through FY 2013
- the Pathway for SGR Reform Act of 2013 extended through March 31, 2014
- the Protecting Access to Medicare Act of 2014 extended from April 1, 2014 through March 31, 2015

The Medicare Access and CHIP Reauthorization Act of 2015 provides for an extension of the temporary changes to the low-volume hospital adjustment and of the MDH program for discharges occurring on or after April 1, 2015, through FY 2017 (that is, for discharges occurring on or before September 30, 2017).

B. Policy: Low-Volume Hospitals – Criteria and Payment Adjustments for FY 2014

Sections 3125 and 10314 of the Affordable Care Act amended the low-volume hospital adjustment in section 1886(d)(12) of the Act by revising, for FYs 2011 and 2012, the definition of a low-volume hospital and the methodology for calculating the low-volume payment adjustment. These amendments were extended through March 31, 2015, by subsequent legislation (as detailed above). The Centers for Medicare & Medicaid Services (CMS) implemented the changes to the low-volume adjustment provided by the Affordable Care Act as extended by subsequent legislation in the regulations at §412.101. For additional

information, refer to the FY 2011 IPPS/Long Term Care Hospital (LTCH) Prospective Payment System (PPS) final rule (75 FR 50238 through 50275) and the FY 2014 IPPS/LTCH PPS final rule (78 FR 50611 through 50613).

To implement the extension of the temporary change in the low-volume hospital payment policy, as provided for by section 204 of the Medicare Access and CHIP Reauthorization Act of 2015, consistent with the existing regulations at §412.101(b)(2)(ii), the same discharge data used for the low-volume adjustment for discharges occurring during the first half of FY 2015 will continue to be used for discharges occurring during the last half of FY 2015, as these data were the most recent available data at the time of the development of the FY 2015 payment rates. Specifically, for FY 2015 discharges occurring on or after April 1, 2015, through September 30, 2015, the low-volume hospital qualifying criteria and payment adjustment (percentage increase) is determined using FY 2013 Medicare discharge data from the March 2014 update of the Medicare Provider Analysis and Review (MedPAR) files. This discharge data can be found in Table 14 of the Addendum of the FY 2015 IPPS final rule (CMS-1607-F), which is available on the Internet at http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/FY2015-IPPS-Final-Rule-Home-Page-Items/FY2015-Final-Rule-Tables.html. (In order to facilitate administrative implementation, the only source that CMS and the MACs will use to determine the number of Medicare discharges for purposes of the low-volume adjustment for FY 2015 is the data from the March 2014 update of the FY 2013 MedPAR file.) We note, Table 14 is a list of IPPS hospitals with fewer than 1,600 Medicare discharges and is not a listing of the hospitals that qualify for the low-volume adjustment for FY 2015, since it does not reflect whether or not the hospital meets the mileage criterion (that is, the hospital must also be located more than 15 road miles from any other IPPS hospital). **In order to receive the applicable low-volume hospital payment adjustment (percentage increase) for FY 2015 discharges, a hospital must meet both the discharge and mileage criteria.**

The MACs shall notify hospitals that had a FY 2015 low-volume hospital status determination on March 31, 2015, that their status has been reinstated for the remainder of FY 2015 provided that the hospital continues to meet the mileage criterion (that is, it continues to be located more than 15 road miles from any other IPPS hospital). In other words, the hospital will continue to have low-volume hospital status for the last half of FY 2015 provided there have not been any changes in the hospital's proximity to another IPPS hospital subsequent to the hospital's notification to its MAC that it met the low-volume hospital criteria for the first half of FY 2015. For requests for low-volume hospital status for FY 2015 received after April 1, 2015, if the hospital meets the criteria to qualify as a low-volume hospital, the MAC will establish a low-volume hospital status effective date that will be applicable prospectively within 30 days of the date of the MAC's low-volume hospital status determination, consistent with our historical policy.

The MAC shall notify CMS Central Office – Baltimore, Michele Hudson and Maria Navarro, of any changes or additions to IPPS hospitals that qualify as a low-volume hospital and the effective date of the determination for discharges occurring in FY 2015 within 15 days of the determination. The notification may be sent via e-mail to Michele.Hudson@cms.hhs.gov and Maria.Navarro@cms.hhs.gov, and shall include:

- hospital's name,
- provider number,
- address (street, city, state and ZIP code),
- number of Medicare discharges,
- distance to the nearest IPPS hospital (as well as that hospital's address: street, city, state, and ZIP code) by which the hospital qualified for low-volume status, and
- effective date of the low-volume hospital determination.

In order to implement this policy for FY 2015 discharges occurring on or after April 1, 2015, the Pricer will continue to include a table containing the provider number and discharge count determined from the March 2014 update of the FY 2013 MedPAR file. The discharge count includes any billed Medicare Advantage claims in the MedPAR file but excludes any claims serviced in non-IPPS units. Consistent with prior practice, the table in Pricer includes IPPS providers with fewer than 1,600 Medicare discharges but does not consider whether the IPPS hospital meets the mileage criterion (that is, it is located more than 15 road miles from the nearest IPPS hospital).

The existing low-volume hospital indicator field on the Provider Specific File (PSF) (position 74 – temporary relief indicator) must be updated by the MAC to hold a value of "Y" if the provider qualifies for a low-volume hospital payment adjustment for FY 2015 discharges occurring on or after April 1, 2015, by meeting **both the discharge and mileage criteria** set forth at §412.101(b)(2)(ii). Any hospital that does not meet either the discharge or mileage criteria is not eligible to receive a low-volume payment adjustment for FY 2015 discharges occurring on or after April 1, 2015, and the MAC must update the low-volume hospital indicator field on the PSF (position 74 – temporary relief indicator) to hold a value of "blank".

The applicable low-volume hospital adjustment (percentage increase) is based on and in addition to all other IPPS per discharge payments, including capital, Disproportionate Share Hospital (DSH), uncompensated care, Indirect Medical Education (IME) and outliers. For Sole Community Hospitals (SCH) and Medicare Dependent Hospitals (MDH), the applicable low-volume percentage increase is based on and in addition to either payment based on the federal rate or the hospital-specific rate, whichever results in a greater operating IPPS payment.

Reinstatement of Medicare Dependent Hospital Status

Under section 3124 of the Affordable Care Act, the MDH program authorized by section 1886(d)(5)(G) of the Act was set to expire at the end of FY 2012. These amendments were extended through March 31, 2015, by subsequent legislation (as detailed above). Section 205 of the Medicare Access and CHIP Reauthorization Act of 2015 extends the MDH program, through September 30, 2017. CMS implemented the extension of the MDH program provided by the Affordable Care Act and subsequent legislation in the regulations at §412.108. (For additional information, refer to the FY 2011 IPPS/LTCH PPS final rule (75 FR 50287), the FY 2013 IPPS/LTCH PPS notice (78 FR 14691 through 14692), the FY 2014 IPPS/LTCH PPS final rule (78 FR 50647 through 50649), and the FY 2014 Extension of the Low-Volume Hospital Payment Adjustment and MDH Program Interim Final Rule with Comment (IFC) (March 18, 2014; 79 FR 15025 through 15028).)

Consistent with our implementation of previous extensions of the MDH program, generally, providers that were classified as MDHs as of the date of expiration of the MDH provision will be reinstated as MDHs effective April 1, 2015, with no need to reapply for MDH classification. There are two exceptions:

a. MDHs that classified as SCHs on or after April 1, 2015

In anticipation of the expiration of the MDH provision, CMS allowed MDHs that applied for classification as an SCH by March 1, 2015, (that is, 30 days prior to the expiration of the MDH program), to be granted such status effective with the expiration of the MDH program. Hospitals that applied in this manner and were approved for SCH classification received SCH status as of April 1, 2015. Additionally, some hospitals that had MDH status as of the April 1, 2015, expiration of the MDH program may have missed the March 1, 2015, application deadline. These hospitals applied for SCH status in the usual manner instead and may have been approved for SCH status effective 30 days from the date of approval resulting in an effective date later than April 1, 2015.

b. MDHs that requested a cancellation of their rural classification under §412.103(b)

In order to meet the criteria to become an MDH, a hospital must be located in a rural area. To qualify for MDH status, some MDHs may have reclassified as rural under the regulations at §412.103. With the

expiration of the MDH provision, some of these providers may have requested a cancellation of their rural classification.

Any provider that falls within either of the two exceptions listed above will not have its MDH status automatically reinstated retroactively to April 1, 2015. All other former MDHs will be automatically reinstated as MDHs effective April 1, 2015. Providers that fall within either of the two exceptions will have to reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b) and meet the classification criteria at 42 CFR 412.108(a). Specifically, the regulations at §412.108(b) require that:

1. The hospital submit a written request along with qualifying documentation to its contractor to be considered for MDH status (§412.108(b)(2)).

2. The contractor make its determination and notify the hospital within 90 days from the date that it receives the request for MDH classification (§412.108(b)(3)).

3. The determination of MDH status be effective 30 days after the date of the contractor's written notification to the hospital (§412.108(b)(4)).

The existing Provider Type field on the PSF (position 55 – Provider Type) must be updated by the MAC to hold a value of "14" or "15" (as applicable) if the provider was classified as an MDH as of the date of March 31, 2015, expiration of the MDH provision. Any hospital classified as an SCH on or after April 1, 2015, or that requested a cancellation of their rural classification under §412.103(b) would not be automatically reinstated with MDH classification as of April 1, 2015, and the MAC must update the Provider Type field on the PSF (position 55 – Provider Type) to hold a value of "0" or "7" (as applicable).

Cancellation of MDH status

As required by the regulations at §412.108(b)(5), contractors must "**evaluate on an ongoing basis**" whether or not a hospital continues to qualify for MDH status.

Therefore, as required by the regulations at §412.108(b)(5) and (6), the contractors shall ensure that the hospital continues to meet the MDH criteria at §412.108(a) and shall notify any MDH that no longer qualifies for MDH status. The cancellation of MDH status will become effective 30 days after the date the contractor provides written notification to the hospital.

It is important to note that despite the fact some providers might no longer meet the criteria necessary to be classified as MDHs, these providers could qualify for automatic reinstatement of MDH status retroactive to April 1, 2015, (unless they meet either of the two exceptions for automatic reinstatement as explained above) and would subsequently lose their MDH status prospectively.

Attachment 1 outlines the various possible actions to be followed for each former MDH and the corresponding examples for each scenario.

Notification to CMS

As part of this change request (CR), we have included **(Attachment 2)** a listing with the following data for all providers that were classified as MDHs at the time the MDH provision expired (i.e., April 1, 2015):

a. CCN/Provider number

b. Provider name

c. Medicare Contractor

The contractor shall take appropriate action as described above for each provider in the listing for which they are responsible. The contractor shall then complete the listing for each provider and provide CMS with the following data:

d. Notification sent to provider? Select Yes/No from drop down list

e. Action taken – Select appropriate action taken from the drop down list

f. & g. Dates if applicable

h. Explanation for action taken/comments

The completed listing shall be emailed to Shevi.Marciano@cms.hhs.gov and Maria.Navarro@cms.hhs.gov.

Notification to Provider

Notification to providers is necessary only if there is a change that affects a provider's MDH status; that is, if the provider's MDH status is not reinstated seamlessly from April 1, 2015, because it falls within one of the two exceptions listed above or if the provider will lose its MDH status due to no longer meeting the criteria for MDH status, per the regulations at §412.108(b)(6). A draft letter is attached (**Attachment 3)** to this CR with text corresponding to the scenarios outlined in Attachment 1. Each MAC shall add to each letter, information specific to that provider regarding how it is affected by the MDH program extension; that is, notifying the provider of its status under the extension of the MDH program. The status of each former MDH will either be:

1. MDH status not reinstated; additional action required by the provider in order to be classified as an MDH. Provider must request a cancellation of SCH status or submit a request for rural classification under §412.103. Provider will then have to reapply for MDH status in accordance with the regulations under §412.108(b).

2. MDH status reinstated and then subsequently cancelled due to the provider not continuing to meet the criteria for MDH classification under the requirements at §412.108(b)(5).

Hospital Specific (HSP) Rate Update for MDHs

For the payment of FY 2015 discharges occurring on or after April 1, 2015, the Hospital Specific (HSP) amount for MDHs in the PSF will continue to be entered in FY 2012 dollars. The Pricer will apply the cumulative documentation and coding adjustment factor for FYs 2011 - 2013 of 0.9480 and apply all update and other adjustment factors to the HSP amount for FY 2013 and beyond.

II. BUSINESS REQUIREMENTS TABLE

"Shall" denotes a mandatory requirement, and "should" denotes an optional requirement.

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
9197.1	CMS shall update the IPPS Pricer.									CMS
9197.1.1	Contractors shall pay claims with the updated IPPS	X				X				

Number	Requirement	Responsibility								
		A/B MAC			DME MAC	Shared-System Maintainers				Other
		A	B	HHH		FISS	MCS	VMS	CWF	
	Pricer issued and installed under CR 9031.									
9197.2	Contractors shall update the Provider Specific File (PSF), Position 74, Temporary Relief, with a 'Y' for those hospitals that meet both the discharge and mileage criteria for a low-volume hospital.	X								
9197.2.1	Contractors shall update the PSF with an effective date of April 1, 2015, for those hospitals that had low-volume hospital status on March 31, 2015, and continue to meet the low-volume hospital discharge and mileage criteria.	X								
9197.2.2	Contractors shall notify affected hospitals that their low-volume hospital status has been reinstated for the remainder of FY 2015 provided that there have been no changes in the hospital's proximity to another IPPS hospital subsequent to the hospital's notification to the MAC that it met the low-volume hospital criteria for the first half of FY 2015.	X								
9197.3	Contractors shall notify CMS Central Office – Baltimore, Michele Hudson and Maria Navarro, of the IPPS hospitals that qualify as a low-volume hospital after March 31, 2015, and the effective date of the determination within 15 days of the determination.	X								CMS
9197.4	Contractors shall update the PSF, File Position 55, Provider Type, with a 14 or 15 for those hospitals that qualify as a MDH for discharges on or after April 1, 2015, with an effective date of April 1, 2015.	X								
9197.4.1	Contractors shall complete Attachment 2 and forward to Shevi.Marciano@cms.hhs.gov and Maria.Navarro@cms.hhs.gov by September 4, 2015.	X								
9197.4.2	Contractors shall notify impacted hospitals with the letter in Attachment 3.	X								
9197.5	Contractors shall reprocess claims impacted by this CR with a discharge date on or after April 1, 2015 through the implementation of the July, 2015 IPPS Pricer within 90 days of the implementation date of this change request.	X								

III. PROVIDER EDUCATION TABLE

Number	Requirement	Responsibility				
		A/B MAC			DME MAC	CEDI
		A	B	HHH		
9197.6	MLN Article: A provider education article related to this instruction will be available at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNMattersArticles/ shortly after the CR is released. You will receive notification of the article release via the established "MLN Matters" listserv. Contractors shall post this article, or a direct link to this article, on their websites and include information about it in a listserv message within 5 business days after receipt of the notification from CMS announcing the availability of the article. In addition, the provider education article shall be included in the contractor's next regularly scheduled bulletin. Contractors are free to supplement MLN Matters articles with localized information that would benefit their provider community in billing and administering the Medicare program correctly.	X				

IV. SUPPORTING INFORMATION

Section A: Recommendations and supporting information associated with listed requirements: N/A

"Should" denotes a recommendation.

X-Ref Requirement Number	Recommendations or other supporting information:

Section B: All other recommendations and supporting information: N/A

V. CONTACTS

Pre-Implementation Contact(s): Michele Hudson, michele.hudson@cms.hhs.gov , Shevi Marciano, shevi.marciano@cms.hhs.gov , Sarah Shirey-Losso, sarah.shirey-losso@cms.hhs.gov , Maria Navarro, maria.navarro@cms.hhs.gov

Post-Implementation Contact(s): Contact your Contracting Officer's Representative (COR).

VI. FUNDING

Section A: For Medicare Administrative Contractors (MACs):
The Medicare Administrative Contractor is hereby advised that this constitutes technical direction as defined in your contract. CMS does not construe this as a change to the MAC Statement of Work. The contractor is not obligated to incur costs in excess of the amounts allotted in your contract unless and until specifically authorized by the Contracting Officer. If the contractor considers anything provided, as described above, to be outside the current scope of work, the contractor shall withhold performance on the part(s) in question and immediately notify the Contracting Officer, in writing or by e-mail, and request formal directions regarding continued performance requirements.

ATTACHMENTS: 3

If the provider was classified as an MDH as of the March 31, 2015, expiration of the MDH provision and the provider	Then	Corresponding Example #
Did not reclassify as an SCH since April 1, 2015, and is still classified as a rural provider	MDH status will be automatically reinstated to April 1, 2015.	1
Reclassified as an SCH immediately following the expiration of the MDH provision with SCH status effective April 1, 2015,	The provider's MDH status will not be automatically reinstated and the provider will have to reapply for MDH classification (§412.108(b)).	2
Reclassified as an SCH, but the effective date of SCH status was a date after April 1, 2015,	The provider's MDH status will be reinstated, effective April 1, 2015, for the portion of time during which it was not classified as an SCH. The provider's MDH status will be cancelled effective with the effective date of its SCH status. The provider will have to reapply for MDH classification (§412.108(b)).	3
Cancelled its rural classification under §412.103 effective April 1, 2015,	The provider's MDH status will not be automatically reinstated and the provider will have to reapply for rural classification (§412.103(b)) and then reapply for MDH classification (§412.108(b)).	4
Cancelled its rural classification under §412.103, but the effective date of the rural status cancellation was a date after April 1, 2015,	The provider's MDH status will be reinstated for the portion of time during which it was classified as rural. The provider's MDH status will then be cancelled effective with the date that its rural classification cancellation became effective. The provider will have to reapply for rural classification (§412.103(b)) and then reapply for MDH classification (§412.108(b)).	5
Did not reclassify as an SCH and is still classified as a rural provider but has a Medicare utilization rate < 60% in the 3 most recently settled cost reports	MDH status will be automatically reinstated to April 1, 2015. The contractor will then notify the provider that it no longer meets MDH criteria and will cancel MDH status in accordance with the regulations at §412.108(b)(6).	6

Examples:

Example 1: Hospital A was classified as an MDH prior to the March 31, 2015, expiration of the MDH program. Hospital A retained its rural classification and did not reclassify as an SCH. Hospital A's MDH status will be automatically reinstated to April 1, 2015.

Example 2: Hospital B was classified as an MDH prior to the March 31, 2015, expiration of the MDH program. In accordance with the regulations at §412.92(b)(2)(v) and in anticipation of the expiration of the MDH program, Hospital B applied for classification as an SCH by March 1, 2015, and was approved for SCH status effective on April 1, 2015. Hospital B's MDH status will not be automatically reinstated.

In order to reclassify as an MDH, Hospital B must cancel its SCH status, in accordance with §412.92(b)(4), and reapply for MDH status in accordance with the regulations at §412.108(b).

Example 3: Hospital C was classified as an MDH, prior to the March 31, 2015, expiration of the MDH program. Hospital C missed the application deadline of March 1, 2015, for reclassification as an SCH under the regulations at §412.92(b)(2)(v) and was not eligible for its SCH status to be effective as of April 1, 2015. Hospitals C's Medicare contractor approved its classification request for SCH status effective May 16, 2015. Hospital C's MDH status will be reinstated but only for the portion of time in which they met the criteria for MDH status. Hospital C's MDH status will be reinstated effective April 1, 2014, through May 15, 2015, and will be cancelled effective May 16, 2015. In order to reclassify as an MDH, Hospital C must cancel its SCH status, in accordance with §412.92(b)(4), and then reapply for MDH status in accordance with the regulations at §412.108(b).

Example 4: Hospital D was classified as an MDH prior to the March 31, 2015, expiration of the MDH program. In anticipation of the expiration of the MDH program, Hospital D requested that its rural classification be cancelled in accordance with the regulations at §412.103(g). Hospital D's rural classification was cancelled effective April 1, 2015. Hospital D's MDH status will not be automatically reinstated. In order to reclassify as an MDH, Hospital D must request to be reclassified as rural under §412.103(b) and must reapply for MDH status under §412.108(b).

Example 5: Hospital E was classified as an MDH prior to the March 31, 2015, expiration of the MDH program. In anticipation of the expiration of the MDH program, Hospital E requested that its rural classification be cancelled in accordance with the regulations at §412.103(g). Hospital E's rural classification was cancelled effective July 1, 2015. Hospital E's MDH status will be reinstated but only for the portion of time in which they met the criteria for MDH status. Since Hospital E cancelled its rural status and became urban effective July 1, 2015, MDH status will only be reinstated effective April 1, 2015, through June 30, 2015, and will be cancelled effective July 1, 2015. In order to reclassify as an MDH, Hospital E must request to be reclassified as rural under §412.103(b) and must reapply for MDH status under §412.108(b).

Example 6: Hospital F was classified as an MDH prior to the March 31, 2015, expiration of the MDH provision. The hospital's Medicare contractor found that Hospital F had a Medicare utilization rate of less than 60 percent in all three of the most recently settled cost reports. Hospital F did not reclassify as an SCH nor did it drop its rural status with the expiration of the MDH provision. In this case, Hospital F's contractor will automatically reinstate its MDH status retroactive to April 1, 2015. The contractor will then notify Hospital F that it no longer qualifies for MDH status. The change in Hospital F's status (i.e., disqualification from MDH status) will become effective 30 days after the date the contractor's written notification to Hospital F.

MDH Listing - Providers that were classified as MDHs as of the date of expiration of the MDH provision on March 31, 2015

Note: Notification to providers is necessary only if there is a change that affects a provider's MDH status.

Provider Number	Provider Name	MAC	Notification Sent to Provider? (Yes/No)	Action Taken	Effective Start Date of MDH Reinstatement (if applicable)	Effective End Date of MDH Reinstatement (if applicable)	Explanation for Action Taken/Comments
010007	MIZELLE MEMORIAL HOSPITAL, INC	Cahaba					
010045	FAYETTE MEDICAL CENTER	Cahaba					
010047	GEORIANA DOCTORS HOSPITAL	Cahaba					
010052	LAKE MARTIN COMMUNITY HOSPITAL	Cahaba					
010073	CLAY COUNTY HOSPITAL AUTHORITY	Cahaba					
010086	NORTHWEST MEDICAL CENTER	Cahaba					
110027	TY COBB HEALTHCARE SYSTEM	Cahaba					
110032	STEPHENS COUNTY HOSPITAL AUTHORITY	Cahaba					
110073	HOSPITAL AUTHORITY OF BEN HILL	Cahaba					
250044	BAPTIST MEMORIAL HOSPITAL - BOONEVILLE	Cahaba					
440007	COFFEE MEDICAL GROUP LLC	Cahaba					
440016	BAPTIST MEMORIAL HOSPITAL	Cahaba					
440020	HILLSIDE HOSPITAL	Cahaba					
440031	ROANE COUNTY MEDICAL CENTER	Cahaba					
440047	GIBSON GENERAL HOSPITAL	Cahaba					
440054	DOCTORS HOSPITAL OF MCMINN COUNTY LLC	Cahaba					
440060	MILAN GENERAL HOSPITAL, INC.	Cahaba					
440070	DECATUR COUNTY GENERAL HOSPITAL	Cahaba					
440084	SWEETWATER HOSPITAL ASSOCIATION	Cahaba					
440109	HARDIN COUNTY GENERAL HOSPITAL	Cahaba					
440132	HENRY COUNTY MEDICAL CENTER	Cahaba					
440141	RESTORATION HEALTHCARE OF CELINA LLC	Cahaba					
440151	RIVER PARK HOSPITAL	Cahaba					
440175	CROCKETT HOSPITAL LLC	Cahaba					
440181	BOLIVAR GENERAL HOSPITAL	Cahaba					
440187	LIVINGSTON REGIONAL HOSPITAL LLC	Cahaba					
180016	Jewish Hospital of Shelbyville	CGS-15101					
180053	Fleming Co. Hospital	CGS-15101					
180066	Logan Mem. Hospital	CGS-15101					
180069	Williamson ARH Hospital	CGS-15101					
180079	Harrison Mem. Hospital	CGS-15101					
180087	Taylor Regional Hospital	CGS-15101					
180105	Monroe County MC	CGS-15101					
180106	Clinton County Hospital	CGS-15101					
180115	Rockcastle Hospital	CGS-15101					
180149	Westlake Reg. Hospital	CGS-15101					
510062	Beckley Appalachian Reg. Hospital	CGS-15101					
360032	Joint Township District Mem.	CGS-15201					
360044	Wayne Hospital	CGS-15201					
360071	Van Wert County Hospital	CGS-15201					
360089	Mercy Hospital of Tiffin	CGS-15201					
360121	Community Hospitals & Wellness	CGS-15201					
100118	Memorial Hospital of Flagler	FCSO					
100156	Lake City Medical Center	FCSO					
440050	Takoma Regional Hospital	FCSO					
070021	Windham Memorial	NGS					
140011	Herrin Hospital	NGS					
140026	St Mary's Hospital	NGS					
140034	St. Mary's Hospital	NGS					
140043	CGH Medical Center	NGS					
140059	Jersey Community Hospital	NGS					
140143	St Margaret's Hospital	NGS					
140147	Richland Memorial Hospital	NGS					
140160	Freeport Memorial Hospital	NGS					
140234	Illinois Valley Community Hospital	NGS					
230040	Pennock Hospital	NGS					
240071	DISTRICT ONE HOSPITAL	NGS					
330033	Chenango Mem. Hospital	NGS					
330047	St. Mary's Healthcare	NGS					
330108	St. Joseph's	NGS					
330144	I. Davenport Mem. Hospital	NGS					
330276	N. Littauer Hospital	NGS					
520034	Aurora Medical Center \ Two Rivers	NGS					
520107	Holy Family Hospital	NGS					
520116	Watertown Hospital	NGS					
200018	Aroostook Medical Center	NHIC					
200031	Cary Medical Center	NHIC					
200041	Inland Hospital	NHIC					
200050	Maine Coast Memorial Hospital	NHIC					
300019	Cheshire	NHIC					
470011	Brattleboro	NHIC					
050225	Feather River Hospital	Noridian					
390008	Ellwood City Hospital	Novitas Solutions - 12					
390031	Schuylkill Medical Center	Novitas Solutions - 12					
390052	Clearfield Hospital	Novitas Solutions - 12					
390138	Waynesboro Memorial Hospital	Novitas Solutions - 12					
390146	Warren General Hospital	Novitas Solutions - 12					
390150	Southwest Reg Med Center	Novitas Solutions - 12					
390183	Miners Memorial Medical Center	Novitas Solutions - 12					
390233	Hanover Hospital	Novitas Solutions - 12					
040002	Johnson Regional	Novitas Solutions - JH					
040072	Baptist Health Medical Center-Stuttgart	Novitas Solutions - JH					
040076	Hot Spring County	Novitas Solutions - JH					
060071	Delta County memorial Hospital	Novitas Solutions - JH					
190133	Allen Parish Hospital	Novitas Solutions - JH					

190140	Franklin Medical Center	Novitas Solutions - JH					
190145	LaSalle General Hospital	Novitas Solutions - JH					
190151	Richardson Medical Center	Novitas Solutions - JH					
190184	Citizens Medical Center	Novitas Solutions - JH					
250002	Tishomingo Health	Novitas Solutions - JH					
250017	Trace Regional Hospital	Novitas Solutions - JH					
250018	Jasper General Hospital	Novitas Solutions - JH					
250020	Webster General Hospital	Novitas Solutions - JH					
250049	South Pike Hospital	Novitas Solutions - JH					
250051	Kilmichael Hospital	Novitas Solutions - JH					
250061	Yalobusha General Hospital	Novitas Solutions - JH					
250079	Sharkey-Issaquena Community Hospital	Novitas Solutions - JH					
250085	Marion General Hospital	Novitas Solutions - JH					
370015	Mayes Co. Medical Center	Novitas Solutions - JH					
370030	Blackwell Regional Hospital	Novitas Solutions - JH					
370072	Latimer Co. General Hospital	Novitas Solutions - JH					
370083	Pushmataha Hospital	Novitas Solutions - JH					
370099	Cushing Regional Hospital	Novitas Solutions - JH					
370100	Choctaw County/City of Hugo Hospital	Novitas Solutions - JH					
370103	Sayre Memorial Hospital, Inc.	Novitas Solutions - JH					
370169	EPIC Medical Center	Novitas Solutions - JH					
450007	Sid Peterson Memorial Hospital	Novitas Solutions - JH					
450078	Anson General	Novitas Solutions - JH					
450188	East Texas Medical Center Clarksville	Novitas Solutions - JH					
450243	Hamlin Memorial	Novitas Solutions - JH					
450347	Huntsville Memorial Hospital	Novitas Solutions - JH					
450373	East Texas Medical Center Mount Vernon	Novitas Solutions - JH					
450451	Glen Rose Medical Center	Novitas Solutions - JH					
450497	Bowie Memorial Hospital	Novitas Solutions - JH					
450565	Palo Pinto General	Novitas Solutions - JH					
450604	Hill Country Memorial	Novitas Solutions - JH					
450641	Nocona General Hospital	Novitas Solutions - JH					
450694	El Campo Memorial Hospital	Novitas Solutions - JH					
450749	East Texas Medical Center Trinity	Novitas Solutions - JH					
340011	Blue Ridge Regional Hospital	Palmetto					
340024	Sampson Regional Medical Center	Palmetto					
340037	KINGS MOUNTAIN HOSPITAL INC	Palmetto					
340097	Hugh Chatham Memorial Hospital	Palmetto					
340132	Maria Parham Medical Center	Palmetto					
340160	Murphy Medical Center	Palmetto					
490019	Culpeper Memorial Hospital, Inc.	Palmetto					
490038	Smyth County Community Hospital	Palmetto					
490116	Pulaski Community Hospital	Palmetto					
490117	Tazewell Community Hospital	Palmetto					
510012	Pleasant Valley Hospital, Inc.	Palmetto					
510038	Stonewall Jackson Memorial Hospital	Palmetto					
510047	Fairmont General Hospital	Palmetto					
010022	Cherokee Medical Center	WPS					
100232	Putnam Community Medical Center	WPS					
110189	Fannin Regional Hospital	WPS					
140064	OSF St. Mary Medical Center	WPS					
140184	Heartland Reg Med Ctr	WPS					
140294	Crossroads Community Hospital	WPS					
150022	St. Clare Medical Center	WPS					
150030	Henry County Memorial Hospital	WPS					
150102	Starke Memorial Hospital	WPS					
160008	Keokuk Area Hospital	WPS					
160032	Skiff Medical Center	WPS					
160112	Spencer Municipal Hosp	WPS					
160122	Fort Madison Comm Hosp	WPS					
160124	Lakes Regional Healthcare	WPS					
160147	Grinnell Reg Medical Ctr	WPS					
170010	Mercy Hospital	WPS					
170058	Mercy Health Center	WPS					
170105	Memorial Hospital Inc	WPS					
170145	Coffeyville Reg Med Ctr	WPS					
170150	S Cen Ks Reg Med Ctr	WPS					
190034	Abbeville General Hosp	WPS					
190090	Winn Parish Medical Ctr	WPS					
190099	Avoyelles Hospital	WPS					
190106	Oakdale Community Hosp	WPS					
190167	Ville Platte Med Center	WPS					
230096	Sturgis Hospital	WPS					
230180	MidMichigan Medical Center-Clare	WPS					
260047	Capital Region Med Ctr	WPS					
260061	Nevada Regional Medical Center	WPS					
260080	Ripley County Memorial Ho	WPS					
260160	Missouri Southern Hlth	WPS					
260163	Parkland Health Center	WPS					
280032	Mary Lanning Mem Hospital	WPS					
340133	Martin General Hospital	WPS					
390072	Berwick Hospital Center	WPS					
390084	Sunbury Community Hosp	WPS					
420019	Chester Reg Med Center	WPS					
440008	Henderson Co Comm Hosp	WPS					
440051	McNairy Reg Hospital	WPS					
440061	Volunteer Comm Hosp	WPS					
440174	Haywood Park Comm Hosp	WPS					
440192	White County Comm Hosp	WPS					
490002	Russell County Medical Center	WPS					

[DATE]

HOSPITAL CONTACT
HOSPITAL NAME
HOSPITAL ADDRESS
CITY, STATE, ZIP

Re: Section 205 of the Medicare Access and CHIP Reauthorization Act of 2015; Extension of the Medicare-Dependent Hospital Program

Provider Name:
CMS Certification Number(CCN): xx-xxxx

Dear {contact name},

As part of the Medicare Access and CHIP Reauthorization Act of 2015, Congress reinstated the Medicare Dependent Hospital (MDH) program which had expired as of April 1, 2015, through September 30, 2017. Generally, providers that were classified as MDHs prior to the expiration of the MDH provision will be reinstated as MDHs effective April 1, 2015, with no need to reapply for MDH classification. This letter serves as notification regarding {Provider Name's} MDH status.

<Insert any of the following paragraphs, as applicable:>

a) <*{Provider Name}* had requested classification for SCH status and was approved effective April 1, 2015. This SCH classification precludes {*Provider Name}* from being reinstated as an MDH. Therefore, in order to be classified as an MDH, *{Provider Name}* must request a cancellation of its SCH status in accordance with the regulations at 42 CFR 412.92(b)(4) and then reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

b) < {*Provider name}* requested classification for SCH status and was approved effective *{effective date - after April 1, 2015*}. *{Provider Name's}* MDH status will be reinstated effective April 1, 2015, through *{enter date of day immediately prior to effective date of SCH classification}* and will be cancelled effective *{enter effective date of SCH classification}*. In order to be classified as an MDH, {*Provider Name}* must request a cancellation of its SCH status in accordance with the regulations at 42 CFR 412.92(b)(4) and reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

c) <*{Provider Name}* requested a cancellation of its rural status under 42 CFR 412.103 and was approved for the cancellation effective April 1, 2015. This cancellation precludes {*Provider Name}* from being reinstated as an MDH. Therefore, in order to be classified as an MDH, *{Provider Name}* must submit a request for reclassification as a rural hospital under the regulations at 42 CFR 412.103 (b) then and reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

d) < {*Provider name}* requested a cancellation of its rural status under 42 CFR 412.103 and was approved for the cancellation effective *{effective date - after April 1, 2015*}. *{Provider Name}* MDH status will be reinstated effective April 1, 2015, through *{enter date of day immediately prior to effective date of cancellation of rural classification}* and will be cancelled effective *{enter effective*

date of cancellation of rural classification}. In order to be classified as an MDH, {*Provider Name}* must submit a request for reclassification as a rural hospital under the regulations at 42 CFR 412.103 (b) and then reapply for MDH classification in accordance with the regulations at 42 CFR 412.108(b).>

e) <This letter serves as notification that *{Provider Name}* will be reinstated to MDH status effective April 1, 2015. However, it has come to our attention that {Provider Name} no longer meets the criteria for MDH status under 42 CFR 412.108(a)(1)(iii)(C). Based on {enter Medicare utilization during applicable cost reporting periods}, {Provider Name} has {enter the percentage of days/discharges} and consequently does not meet the 60 percent Medicare inpatient utilization requirement in at least two of the last three most recent settled cost report for which the hospital has a settled cost report. Therefore, {Provider Name's} MDH classification will be cancelled effective {date = 30 days from date of notification}.

Under the regulations at 42 CFR 412.108(b)(7), in order to be reclassified as an MDH, a hospital may reapply only after another cost report has been audited and settled.>

If you have any questions, please contact me at *{insert phone number}*.

Sincerely,