

MEDICARE DRUG & HEALTH PLAN CONTRACT ADMINISTRATION GROUP

DATE: October 17, 2018

TO: Medicare Advantage Regional Preferred Provider Organizations

FROM: Kathryn A. Coleman
Director

SUBJECT: Contract Year 2019 Essential Hospital Designation and Attestation

This memo advises Medicare Advantage organizations that offer Regional Preferred Provider Organizations (RPPOs) regarding the process for requesting approval to designate non-contracting hospitals as essential hospitals.

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 by **Wednesday, October 31, 2018**:

- 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. Please note that RPPOs that received approval of their essential hospital designations for contract year (CY) 2018 must re-submit those hospitals for re-approval for CY 2019. RPPOs should submit to the portal mailbox locating under the Medicare Advantage tab at: <https://dmao.lmi.org>. Please use "Essential Hospital Designation Request" as the issue title when submitting your request.

CMS will review and approve the table and attestation requests prior December 28, 2018. 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.