
Program Memorandum Intermediaries

**Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)**

Transmittal A-02-048

Date: JUNE 4, 2002

CHANGE REQUEST 2195

SUBJECT: Extension of the Deadline for Hospitals to Make Elections to Reduce Beneficiary Coinsurance for 2002 Under the Outpatient Prospective Payment System (OPPS)

Fiscal intermediaries (FIs) are instructed to notify their hospitals that the deadline for making an election to reduce beneficiary coinsurance for 2002 is extended until July 01, 2002.

Typically, under the OPSS, hospitals are required to notify their FI by December 1 of each year of their election to reduce beneficiary coinsurance for one or more ambulatory payment classifications for the following calendar year.

As a result of the delay in publication of the 2002 OPSS payment rates, instructions in Transmittal A-02-026, CR 2102, dated March 28, 2002, provided that the period of time that hospitals would have to make reduced coinsurance elections for 2002 would be extended to April 1, 2002.

The 2002 payment rates were published in the **Federal Register** on March 1, 2002. However, because the election deadline of April 1, 2002 was not announced until Transmittal A-02-026 was issued on March 28, 2002, a number of hospitals were unable to notify their FIs by the April 1, 2002 deadline.

For 2002, hospitals may make elections to reduce beneficiary coinsurance amounts until July 01, 2002. Elections received after April 1, 2002 will be effective prospectively from the date you enter the elections into the outpatient provider specific file. Elections to reduce beneficiary coinsurance you receive after April 1, 2002, must be processed and entered into the provider file, within 30 days or less of receipt. In addition, you must inform the hospital of the effective date of their election as soon as possible after receipt of the hospital's election.

The effective date for this Program Memorandum (PM) is June 4, 2002.

The implementation date for this PM is June 4, 2002.

These instructions should be implemented within your current operating budget.

This PM may be discarded after December 31, 2002.

If you have any questions, contact Chuck Braver at (410) 786-6719.