§ 413.83 Direct GME payments: Adjustment of a hospital’s target amount or prospective payment hospital-specific rate.

(a) Misclassified operating costs—(1) General rule. If a hospital has its base-period GME costs reduced under §413.77(a) of this section because those costs included misclassified operating costs, the hospital may request that the intermediary review the classification of the affected costs in its rate-of-increase ceiling or prospective payment base year for purposes of adjusting the hospital’s target amount or hospital-specific rate. For those cost reports that are not subject to reopening under §405.1885 of this chapter, the hospital’s reopening request must explicitly state that the review is limited to this one issue.

(2) Request for review. The hospital must request review of the classification of its rate-of-increase ceiling or prospective payment base year costs no later than 180 days after the date of the notice by the intermediary of the hospital’s base-period average per resident amount. A hospital’s request for review must include sufficient documentation to demonstrate to the intermediary that modification of the adjustment of the hospital’s hospital-specific rate or target amount is warranted.

(3) Effect of intermediary’s review. If the intermediary, upon review of the hospital’s costs, determines that the hospital’s hospital-specific rate or target amount should be adjusted, the adjustment of the hospital’s hospital-specific rate or the target amount is effective for the hospital’s cost reporting periods subject to the prospective payment system or the rate-of-increase ceiling that are still subject to reopening under §405.1885 of this chapter.

(b) Misclassification of GME costs—(1) General rule. If costs that should have been classified as GME costs were treated as operating costs during both the GME base period and the rate-of-increase ceiling base year or prospective payment base year and the hospital wishes to receive benefit for the appropriate classification of these costs as GME costs in the GME base period, the hospital must request that the intermediary review the classification of the affected costs in the rate-of-increase ceiling or prospective payment base year for purposes of adjusting the hospital’s target amount or hospital-specific rate. For those cost reports that are not subject to reopening under §405.1885 of this chapter, the hospital’s reopening request must explicitly state that the review is limited to this one issue.

(2) Request for review. The hospital must request review of the classification of its costs no later than 180 days after the date of the intermediary’s notice of the hospital’s base-period average per resident amount. A hospital’s request for review must include sufficient documentation to demonstrate to the intermediary that modification of the adjustment of the hospital’s hospital-specific rate or target amount is warranted.

(3) Effect of intermediary’s review. If the intermediary, upon review of the hospital’s costs, determines that the hospital’s hospital-specific rate or target amount should be adjusted, the adjustment of the hospital’s hospital-specific rate and the adjustment of the target amount is effective for the hospital’s cost reporting periods subject to the prospective payment system or the rate-of-increase ceiling that are still subject to reopening under §405.1885 of this chapter.