established before the effective date of termination as set forth in § 489.55 of this chapter.

(f) *Appeal.* A hospice program may appeal the termination of its provider agreement by CMS in accordance with part 498 of this chapter.

PART 489—PROVIDER AGREEMENTS AND SUPPLIER APPROVAL

Subpart A—General Provisions

Sec.
489.1 Statutory basis.
489.2 Scope of part.
489.3 Definitions.
489.10 Basic requirements.
489.11 Acceptance of a provider as a participant.
489.12 Decision to deny an agreement.
489.13 Effective date of agreement or approval.
489.18 Change of ownership or leasing: Effect on provider agreement.

Subpart B—Essentials of Provider Agreements

489.20 Basic commitments.
489.21 Specific limitations on charges.
489.22 Special provisions applicable to prepayment requirements.
489.23 Specific limitation on charges for services provided to certain enrollees of fee-for-service FEHB plans.
489.24 Special responsibilities of Medicare hospitals in emergency cases.
489.25 Special requirements concerning CHAMPUS and CHAMPVA programs.
489.26 Special requirements concerning veterans.
489.27 Beneficiary notice of discharge rights.
489.28 Special capitalization requirements for HHAs.
489.29 Special requirements concerning beneficiaries served by the Indian Health Service, Tribal health programs, and urban Indian organization health programs.

Subpart C—Allowable Charges

489.30 Allowable charges: Deductibles and coinsurance.
489.31 Allowable charges: Blood.
489.32 Allowable charges: Noncovered and partially covered services.
489.34 Allowable charges: Hospitals participating in State reimbursement control systems or demonstration projects.
489.35 Notice to intermediary.

Subpart D—Handling of Incorrect Collections

489.40 Definition of incorrect collection.
489.41 Timing and methods of handling.
489.42 Payment of offset amounts to beneficiary or other person.

Subpart E—Termination of Agreement and Reinstatement After Termination

489.52 Termination by the provider.
489.53 Termination by CMS.
489.54 Termination by the OIG.
489.55 Exceptions to effective date of termination.
489.57 Reinstatement after termination.

Subpart F—Surety Bond Requirements for HHAs

489.60 Definitions.
489.61 Basic requirement for surety bonds.
489.62 Requirement waived for Government-operated HHAs.
489.63 Parties to the bond.
489.64 Authorized Surety and exclusion of surety companies.
489.65 Amount of the bond.
489.66 Additional requirements of the surety bond.
489.67 Term and type of bond.
489.68 Effect of failure to obtain, maintain, and timely file a surety bond.
489.69 Evidence of compliance.
489.70 Effect of payment by the Surety.
489.71 Surety's standing to appeal Medicare determinations.
489.72 Effect of review reversing CMS's determination.
489.73 Effect of conditions of payment.
489.74 Incorporation into existing provider agreements.

Subparts G–H [Reserved]

Subpart I—Advance Directives

489.100 Definition.
489.102 Requirements for providers.
489.104 Effective dates.

AUTHORITY: 42 U.S.C. 1302, 1395i–3, 1395x, 1395aa(m), 1395cc, 1395ff, and 1395hh.

SOURCE: 45 FR 22937, Apr. 4, 1980, unless otherwise noted.

Subpart A—General Provisions

§ 489.1 Statutory basis.

(a) This part implements section 1866 of the Social Security Act (the Act). Section 1866 of the Act specifies the terms of provider agreements, the grounds for terminating a provider agreement, the circumstances under

which payment for new admissions may be denied, and the circumstances under which payment may be withheld for failure to make timely utilization review. The sections of the Act specified in paragraphs (a)(1) through (a)(4) of this section are also pertinent.

(1) Section 1861 of the Act defines the services covered under Medicare and the providers that may be reimbursed for furnishing those services.

(2) Section 1864 of the Act provides for the use of State survey agencies to ascertain whether certain entities meet the conditions of participation.

(3) Section 1865(a)(1) of the Act provides that an entity accredited by a national accreditation body found by the Secretary to satisfy the Medicare conditions of participation, conditions for coverage, or conditions of certification or requirements for participation shall be treated as meeting those requirements. Section 1865(a)(2) of the Act requires the Secretary to consider when making such a finding, among other things, the national accreditation body's accreditation requirements and survey procedures.

(4) Section 1871 of the Act authorizes the Secretary to prescribe regulations for the administration of the Medicare program.

(b) Although section 1866 of the Act speaks only to providers and provider agreements, the following rules in this part also apply to the approval of supplier entities that, for participation in Medicare, are subject to a determination by CMS on the basis of a survey conducted by the SA or CMS surveyors; or, in lieu of an SA or CMS-conducted survey, accreditation by an accrediting organization whose program has CMS approval in accordance with the requirements of part 488 of this chapter at the time of the accreditation survey and accreditation decision, in accordance with the following:

(1) The definition of immediate jeopardy at § 489.3.

(2) The effective date rules specified in § 489.13.

(3) The requirements specified in § 489.53(a)(2), (13), and (18), related to termination by CMS of participation in Medicare.

(c) Section 1861(o)(7) of the Act requires each HHA to provide CMS with a surety bond.

[75 FR 50418, Aug. 16, 2010, as amended at 80 FR 29839, May 22, 2015]

§ 489.2 Scope of part.

(a) Subpart A of this part sets forth the basic requirements for submittal and acceptance of a provider agreement under Medicare. Subpart B of this part specifies the basic commitments and limitations that the provider must agree to as part of an agreement to provide services. Subpart C specifies the limitations on allowable charges to beneficiaries for deductibles, coinsurance, copayments, blood, and services that must be part of the provider agreement. Subpart D of this part specifies how incorrect collections are to be handled. Subpart F sets forth the circumstances and procedures for denial of payments for new admissions and for withholding of payment as an alternative to termination of a provider agreement.

(b) The following providers are subject to the provisions of this part:

(1) Hospitals.

(2) Skilled nursing facilities (SNFs).

(3) Home health agencies (HHAs).

(4) Clinics, rehabilitation agencies, and public health agencies.

(5) Comprehensive outpatient rehabilitation facilities (CORFs).

(6) Hospices.

(7) Critical access hospital (CAHs).

(8) Community mental health centers (CMHCs).

(9) Religious nonmedical health care institutions (RNHCIs).

(10) Opioid treatment programs (OTPs).

(11) Rural emergency hospitals (REHs).

(c)(1) Clinics, rehabilitation agencies, and public health agencies may enter into provider agreements only for furnishing outpatient physical therapy, and speech pathology services.

(2) CMHCs may enter into provider agreements only to furnish partial hospitalization services.