

reduction of fractures) that is considered as nonexcepted care under the RNHCI amendments to the statute and regulations. With the above cited approach to elections, we might be placing some beneficiaries in a position of having an RNHCI election revoked one or more times without ever being admitted to an RNHCI. This would subject a beneficiary to having to wait the prescribed period of time between revocation and when they could again file a viable election. Therefore, we decided it was in the beneficiary's best interest to initiate the election process at the time of admission to an RNHCI.

Payment to Providers

The statute provided flexibility for provider payment and initially we continued the new provider group under the TEFRA payment methodology to ensure a smooth transition. The new RNHCI group was already facing a number of changes when compared with their prior requirements as Christian Science sanatoria. We considered the possibility of moving swiftly to a prospective payment methodology as systems were being developed for skilled nursing facilities, home health agencies and rehabilitation hospitals. While the new methodologies were different from those under the hospital diagnosis related group (DRG), there was still a partial diagnosis based relationship to the payment system. Since the statute prohibits the use of diagnosis or other medical approaches for assessing RNHCI patients, we have decided to wait until we can conduct studies and find a methodology that is fully appropriate for the RNHCI setting.

D. Conclusion

For the above reasons, we are not preparing analyses for either the RFA or section 1102(b) of the Act. We have determined that this rule will not have a significant economic impact on a substantial number of small entities or a significant impact on the operations of a substantial number of small rural hospitals.

In accordance with the provisions of Executive Order 12866, this regulation was reviewed by the Office of Management and Budget.

List of Subjects

42 CFR Part 403

Health insurance, Hospitals, Intergovernmental relations, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 489

Health facilities, Medicare, Reporting and recordkeeping requirements.

42 CFR Part 498

Administrative practice and procedure, Health facilities, Health professions, Medicare, Reporting and recordkeeping requirements.

■ For reasons set forth in the preamble, the Centers for Medicare & Medicaid Services amends 42 CFR chapter IV as set forth below:

PART 403—SPECIAL PROGRAMS AND PROJECTS

■ 1. The authority citation for part 403 continues to read as follows:

Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

Subpart G—Religious Nonmedical Health Care Institutions—Benefits, Conditions of Participation, and Payment

■ 2. In § 403.736, paragraph (a)(3) is revised to read as follows:

§ 403.736 Condition of participation: Discharge planning.

* * * * *

(a) *Standard: Discharge planning evaluation.* * * *

(3) The discharge planning evaluation must be included in the patient's care record for use in establishing an appropriate discharge plan. Staff must discuss the results of the discharge planning evaluation with the patient or a legal representative acting on his or her behalf.

* * * * *

■ 3. In § 403.738, paragraph (a)(4) is added to read as follows:

§ 403.738 Condition of participation: Administration.

* * * * *

(a) *Standard: Compliance with Federal, State, and local laws.* * * *

(4) Privacy of individually identifiable health information (45 CFR part 164).

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PART 489—PROVIDER AGREEMENTS AND SUPPLIER APPROVAL

■ 1. The authority citation for part 489 continues to read as follows:

Authority: Secs. 1102 and 1871 of the Social Security Act (42 U.S.C. 1302 and 1395hh).

■ 2. In § 489.2, paragraph (b) introductory text is republished and a new paragraph (b)(9) is added to read as follows:

§ 489.2 Scope of part.

* * * * *

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

* * * * *

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

* * * * *

■ 3. In § 489.10 paragraphs (a) and (c) are revised to read as follows:

§ 489.10 Basic requirements.

(a) Any of the providers specified in § 489.2 may request participation in Medicare. In order to be accepted, it must meet the conditions of participation or requirements (for SNFs) set forth in this section and elsewhere in this chapter. The RNHCI must meet the conditions for coverage, conditions for participation and the requirements set forth in this section and elsewhere in this chapter.

* * * * *

(c) In order for a hospital, SNF, HHA, hospice, or RNHCI to be accepted, it must also meet the advance directives requirements specified in subpart I of this part.

* * * * *

■ 4. In § 489.53 paragraph (a) introductory text is republished and paragraph (a)(3) is revised to read as follows:

§ 489.53 Termination by CMS.

(a) *Basis for termination of agreement with any provider.* CMS may terminate the agreement with any provider if CMS finds that any of the following failings is attributable to that provider:

* * * * *

(3) It no longer meets the appropriate conditions of participation or requirements (for SNFs and NFs) set forth elsewhere in this chapter. In the case of an RNHCI no longer meets the conditions for coverage, conditions of participation and requirements set forth elsewhere in this chapter.

* * * * *

■ 5. In § 489.102, paragraph (a) introductory text is revised to read as follows:

§ 489.102 Requirements for providers.

(a) Hospitals, critical access hospitals, skilled nursing facilities, nursing facilities, home health agencies, providers of home health care (and for Medicaid purposes, providers of personal care services), hospices, and religious nonmedical health care institutions must maintain written policies and procedures concerning advance directives with respect to all adult individuals receiving medical care, or patient care in the case of a patient in a religious nonmedical health