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Title 42 – Public Health

Chapter IV – Centers for Medicare & Medicaid Services, Department of Health and Human Services

Subchapter B – Medicare Program

Part 424 – Conditions for Medicare Payment

Subpart P – Requirements for Establishing and Maintaining Medicare Billing Privileges

Source: 71 FR 20776, Apr. 21, 2006, unless otherwise noted.

Authority: 42 U.S.C. 1302 and 1395hh.

Source: 53 FR 6634, Mar. 2, 1988, unless otherwise noted.

§ 424.570 Moratoria on newly enrolling Medicare providers and suppliers.

(a) *Temporary moratoria* –

(1) *General rules.*

- (i) CMS may impose a moratorium on the enrollment of new Medicare providers and suppliers of a particular type or the establishment of new practice locations of a particular type in a particular geographic area.
- (ii) CMS will announce the temporary enrollment moratorium in a FEDERAL REGISTER document that includes the rationale for imposition of the temporary enrollment moratorium.
- (iii) The temporary moratorium does not apply to any of the following:
 - (A) Changes in practice location (except if the location is changing from a location outside the moratorium area to a location inside the moratorium area).
 - (B) Changes in provider or supplier information, such as phone numbers.
 - (C) Changes in ownership (except changes in ownership of home health agencies that would require an initial enrollment).
- (iv) A temporary moratorium does not apply to any enrollment application that has been received by the Medicare contractor prior to the date the moratorium is imposed.

(2) *Imposition of a temporary moratoria.* CMS may impose the temporary moratorium if–

- (i) CMS determines that there is a significant potential for fraud, waste or abuse with respect to a particular provider or supplier type or particular geographic area or both. CMS's determination is based on its review of existing data, and without limitation, identifies a trend that appears to be associated with a high risk of fraud, waste or abuse, such as a–
 - (A) Highly disproportionate number of providers or suppliers in a category relative to the number of beneficiaries; or
 - (B) Rapid increase in enrollment applications within a category;
- (ii) A State Medicaid program has imposed a moratorium on a group of Medicaid providers or suppliers that are also eligible to enroll in the Medicare program;

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- (iii) A State has imposed a moratorium on enrollment in a particular geographic area or on a particular provider or supplier type or both; or
- (iv) CMS, in consultation the HHS OIG or the Department of Justice or both and with the approval of the CMS Administrator identifies either or both of the following as having a significant potential for fraud, waste or abuse in the Medicare program:
 - (A) A particular provider or supplier type.
 - (B) Any particular geographic area.

- (b) **Duration of moratoria.** A moratorium under this section may be imposed for a period of 6 months and, if deemed necessary by CMS, may be extended in 6-month increments. CMS will publish a document in the FEDERAL REGISTER when it extends a moratorium.
- (c) **Denial of enrollment: Moratoria.** A Medicare contractor denies the enrollment application of a provider or supplier if the provider or supplier is subject to a moratorium as specified in paragraph (a) of this section.
- (d) **Lifting moratoria.** CMS will publish a document in the FEDERAL REGISTER when a moratorium is lifted. CMS may lift a temporary moratorium at any time after imposition of the moratorium if one of the following occur:
 - (1) The President declares an area a disaster under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121-5206 (Stafford Act).
 - (2) Circumstances warranting the imposition of a moratorium have abated or CMS has implemented program safeguards to address the program vulnerability.
 - (3) The Secretary has declared a public health emergency under section 319 of the Public Health Service Act in the area subject to a temporary moratorium.
 - (4) In the judgment of the Secretary, the moratorium is no longer needed.

[76 FR 5965, Feb. 2, 2011, as amended at 84 FR 47856, Sept. 10, 2019]