Urban area means—(1) For cost reporting periods beginning on or after October 1, 2002, with respect to discharges occurring during the period covered by such cost reports but before July 1, 2005, an area defined in §412.62(f)(1)(ii); (2) For discharges occurring on or after July 1, 2005, an urban area means an area as defined in §412.64(b)(1)(ii)(A) and (B); and (3) For discharges occurring on or after July 1, 2008, a Metropolitan Statistical Area, as defined by the Executive Office of Management and Budget.

§412.507 Limitation on charges to beneficiaries.

(a) Prohibited charges. Except as provided in paragraph (b) of this section, a long-term care hospital may not charge a beneficiary for any covered services for which payment is made by Medicare, even if the hospital’s costs of furnishing services to that beneficiary are greater than the amount the hospital is paid under the prospective payment system. If Medicare has paid the full LTC-DRG payment, that payment applies to the hospital’s costs for services furnished until the high-cost outlier threshold is met. If Medicare pays less than the full LTC-DRG payment, that payment only applies to the hospital’s costs for those costs or days used to calculate the Medicare payment.

(b) Permitted charges. (1) A long-term care hospital that receives a full LTC-DRG payment under this subpart for covered days in a hospital stay may charge the Medicare beneficiary only for the applicable deductible and coinsurance amounts under §§409.82, 409.83, and 409.87 of this subchapter, and for items and services as specified under §489.20(a) of this chapter.

(2) A long-term care hospital that receives less than the full LTC-DRG payment for a short-stay case, in accordance with §412.529, may only charge the Medicare beneficiary for the applicable deductible and coinsurance amounts under §§409.82, 409.83, and 409.87 of this subchapter, for items and services as specified under §489.20(a) of this chapter, and for services provided during the stay that were not the basis for the short-stay payment.

§412.508 Medical review requirements.

(a) Admission and quality review. A long-term care hospital must have an agreement with a QIO to have the QIO review, on an ongoing basis, the following: (1) The medical necessity, reasonableness, and appropriateness of hospital admissions and discharges.