



DEPARTMENT OF HEALTH & HUMAN SERVICES
Health Care Financing Administration

Center for Medicaid and State Operations
7500 Security Boulevard
Baltimore, MD 21244-1850

October 1, 1997

Dear State Medicaid Director:

This is to inform you of two sections of the Social Security Act (the Act) that have been affected by the Balanced Budget Act of 1997. Section 4454 amended section 1902(a) of the Act to remove Christian Science Sanatoria as an optional Medicaid service and to substitute coverage of nonmedical health care institutions as defined in a new section 1861(ss)(1) of the Act. Section 4742 repealed section 1903(I)(12) of the Act regarding Medicaid physician qualification requirements.

Section 4454

The statutory provisions in Section 4454, Coverage of Services in Religious Nonmedical Health Care Institutions Under the Medicare and Medicaid Program, became effective for services provided on or after August 5, 1997. Existing regulations at 42 CFR 440.170(b) (Services of Christian Science nurses) and (Services in Christian Science sanatoriums) are no longer in force, and new regulations will be issued by July 1, 1998.

The Conference Report on the Section 4454 provisions indicates that the statutory change was necessary to remove the sect-specific designation and substitute a sect-neutral accommodation. As noted in the last paragraph of the Conference Agreement for this section, the conferees recognized that there are religious nonmedical institutions that have been participating as providers since the inception of the Medicare and Medicaid programs. We believe that those institutions will meet the new statutory requirements, and Federal reimbursement will therefore continue to be available for those institutions and services during the interim period prior to the publication of new regulations. Enclosed are copies of the legislation and Conference Agreement for your information.

Section 4742

Section 1903(I)(12) of the Act established minimum qualifications for a physician who furnishes services to a child under age 21 or to a pregnant woman. Section 4742 repealed this section of the Act, effective August 5, 1997. As a result, section 6400.2, Physician Services to Children Under 21, and section 6400.3, Physician Services to Pregnant Women, of Part 6 of the State Medicaid Manual (SMM) are not applicable for services furnished on or after August 5, 1997. A formal revision to the SMM, deleting these sections, will be forthcoming.

If you have any questions, please contact the Division of Medicaid and State Operations in your respective HCFA Regional Office.

Sincerely yours,

/s/

Sally K. Richardson

Director

Center for Medicaid and State Operations

Enclosure

cc: All HCFA Administrators All HCFA Associate Administrators for Medicaid and State Operations Lee Partridge - American Public Welfare Association Joy Wilson - National Conference of State Legislatures Jennifer Baxendell - National Governors' Association