

Alternative Sanctions

CMS may, as an alternative to termination of Medicare coverage, impose one of the sanctions below if CMS finds that –

1. The supplier fails to participate in the activities and pursue the goals of the ESRD network that is designated to encompass its geographic area; and
2. This failure does not jeopardize patient health and safety.

The alternative sanctions that CMS may apply in the circumstances specified above, include the following:

- 1) Denial of payment for services furnished to patients first accepted for care after the effective date of the sanction as specified in the sanction notice.
- 2) Reduction of payment, for all ESRD services furnished by the supplier, by 20 percent for each 30-day period after the effective date of sanction.
- 3) Withholding of all payments, without interest, for all ESRD services furnished by the supplier to Medicare beneficiaries.

An alternative sanction remains in effect until CMS finds that the supplier is in substantial compliance with the requirement to cooperate in the network plans and goals, or terminates coverage of the supplier's services for lack of compliance.

CMS gives the supplier and the general public notice of sanction and of the effective date of the sanction. The effective date of the sanction is at least 30 days after the date of notice.