

(7) Has an affirmative equal employment opportunity program that complies with the fair employment provisions of the Civil Rights Act of 1964 and Executive Order 11246, as amended.

§ 421.112 Considerations relating to the effective and efficient administration of the program.

(a) In order to accomplish the most effective and efficient administration of the Medicare program, determinations may be made by the Secretary with respect to the termination of an intermediary agreement, or by CMS with respect to the—

(1) Renewal of an intermediary agreement (§ 421.110);

(2) Assignment or reassignment of providers to an intermediary (§ 421.114); or

(3) Designation of a regional or national intermediary to serve a class of providers (§ 421.116).

(b) When taking the actions listed in paragraph (a), the Secretary or CMS will consider the performance of the individual intermediary in its Medicare operations using the factors contained in the performance criteria (§ 421.120) and performance standards (§ 421.122).

(c) In addition, when taking the actions listed in paragraph (a) of this section, the Secretary or CMS may consider factors relating to—

(1) Consistency in the administration of program policy;

(2) Development of intermediary expertise in difficult areas of program administration;

(3) Individual capacity of available intermediaries to serve providers as it is affected by such considerations as—

(i) Program emphasis on the number or type of providers to be served; or

(ii) Changes in data processing technology;

(4) Overdependence of the program on the capacity of an intermediary to an extent that services could be interrupted;

(5) Economy in the delivery of intermediary services;

(6) Timeliness in the delivery of intermediary services;

(7) Duplication in the availability of intermediaries;

(8) Conflict of interest between an intermediary and provider; and

(9) Any additional pertinent factors.

[45 FR 42179, June 23, 1980, as amended at 59 FR 682, Jan. 6, 1994]

§ 421.114 Assignment and reassignment of providers by CMS.

CMS may assign or reassign any provider to any intermediary if it determines that the assignment or reassignment will result in a more effective and efficient administration of the Medicare program. Before making this determination CMS will consider—

(a) The preferences of the provider;

(b) The availability of an intermediary as specified in § 421.5(e); and

(c) Intermediary performance measured against the criteria and standards specified in §§ 421.120 and 421.122.

[45 FR 42179, June 23, 1980, as amended at 49 FR 3660, Jan. 30, 1984]

§ 421.116 Designation of national or regional intermediaries.

(a) After considering intermediary performance measured against the criteria and standards specified in §§ 421.120 and 421.122, CMS may designate a particular intermediary to serve a class of providers nationwide or in any geographic area it defines. CMS may make this designation if it determines that the designation will result in a greater degree of effectiveness and efficiency in the administration of the Medicare program than could be achieved by an assignment of providers to an intermediary preferred by the providers.

(b) No designation may be made until the affected providers and intermediaries are given an explanation and the intermediaries are advised of their right to a hearing and judicial review as specified in § 421.128. This provision does not apply to experimental contracts awarded under § 421.118.

(c) To designate an intermediary, CMS may establish classes of providers on the basis of—

(1) The type of provider, for example, hospital, skilled nursing facility, home health agency; or

(2) Common characteristics.

[45 FR 42179, June 23, 1980, as amended at 49 FR 3660, Jan. 30, 1984]