

CMS DECLARES OPEN SEASON ON NECESSARY PROVIDER CAHS

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NO BAG LIMIT

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CHAPTER 1 OF !@#\$%^&* CMS

RELOCATIONS

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CAH TYPES

- ✓ CAHs THAT MEET FEDERAL DISTANCE REQUIREMENTS
- ✓ CAHs (NECESSARY PROVIDER) MET STATE REQUIREMENTS BEFORE 1-1-06
- ✓ CAHs THAT MET OLD FEDERAL REQUIREMENTS BUT DO NOT MEET THE CURRENT DISTANCE REQUIREMENTS

WHAT ARE THE DISTANCE CURRENT FEDERAL REQUIREMENTS?

- ✓ **OVER 35 MILE DRIVE TO NEXT NEAREST HOSPITAL OR CAH**
- ✓ **15 MILE DRIVE TO NEXT NEAREST HOSPITAL OR CAH ON SECONDARY ROADS AND/OR THROUGH MOUNTAINOUS TERRAIN
(MEASURE ONLY DISTANCE ON SECONDARY ROAD OR MOUNTAINOUS ROAD)**

**WHAT IS SECONDARY ROAD?
ANY ROAD EXCEPT THE
FOLLOWING**

NUMBERED FEDERAL HIGHWAY

**STATE HIGHWAY WITH TWO
OR MORE LANES EACH WAY**

**ROAD ON US GEOLOGICAL SURVEY MAP (FGDC) WITH
SYMBOL FOR PRIMARY HIGHWAY
OR DIVIDED BY MEDIAN STRIP**

WHAT IS MOUNTAINOUS TERRAIN?

**IDENTIFIED AS MOUNTAINOUS TERRAIN BY
ANY OFFICIAL MAPS
OR
OTHER DOCUMENTS
PREPARED FOR AND ISSUED TO THE PUBLIC
BY THE STATE AGENCY
RESPONSIBLE FOR HIGHWAYS
IN THE STATE
(DEPARTMENT OF TRANSPORTATION)
OR
US GEOLOGICAL SURVEY**

IF A CAH MEETS THE CURRENT FEDERAL DISTANCE REQUIREMENTS

- ✓ RELOCATION OF CAH APPROVED
WITHOUT ADDITIONAL REQUIREMENTS
- ✓ MAY ESTABLISHMENT PROVIDER-BASED
LOCATION WITHOUT PENALTY

IF A CAH DOES NOT MEET THE
CURRENT FEDERAL DISTANCE
REQUIREMENTS
BUT IS A NECESSARY PROVIDER

- ✓ MAY RELOCATE ONLY IF SPECIFIC CRITERIA MET
- ✓ MAY NOT ESTABLISHMENT PROVIDER-BASED LOCATION BEYOND CURRENT CAMPUS OR LOCATIONS

IF A CAH DOES NOT MEET THE
CURRENT FEDERAL DISTANCE
REQUIREMENTS AND IS NOT A
NECESSARY PROVIDER

YOU ARE TOAST

YOU MAY NOT RELOCATE
YOU MAY NOT ESTABLISH PROVIDER-BASED
LOCATIONS OFF EXISTING CAMPUS OR
LOCATIONS

IF A NECESSARY PROVIDER WISHES TO RELOCATE

1. MUST BE RURAL
2. MUST DEMONSTRATE CAH STILL MEETS ALL OF THE ORIGINAL REQUIREMENTS USED BY THE STATE TO ESTABLISH NECESSARY PROVIDER DESIGNATION
3. AFTER RELOCATION 75% OF SAME SERVICES PROVIDED
4. AFTER RELOCATION 75% OF SAME STAFF AT NEW LOCATION
5. AFTER RELOCATION 75% OF SAME POPULATION SERVED
6. BEFORE BEGINNING RELOCATION PROCESS MUST SUBMIT INFORMATION TO CMS REGIONAL OFFICE FOR PRELIMINARY APPROVAL THAT INCLUDES ASSURANCE OF COMPLIANCE WITH 1 THRU 4 AND THIS SAME METHOD MUST BE USED TO PROVE COMPLIANCE AFTER RELOCATION
7. FINAL CMS APPROVAL WILL NOT BE GIVEN UNTIL AFTER THE RELOCATION IS COMPLETE
8. IF FINAL APPROVAL NOT GIVEN – CAH STATUS WILL BE TERMINATED AND HOSPITAL MAY APPLY FOR PPS HOSPITAL STATUS

BURDEN OF PROOF

ON CAH

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RENOVATION OR REMODEL
ON EXISTING CAMPUS

NO CMS
DETERMINATION
NEEDED

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ALL NEW FACILITIES

NO MENTION OF LOCATION

CMS APPROVAL REQUIRED

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WHAT IS 75% OF SAME SERVICES?

1. LIST SERVICES PROVIDED AT CURRENT LOCATION USING PERHAPS AHA ANNUAL HOSPITAL SURVEY DATA OR OTHER ACCEPTABLE METHOD
2. LIST SERVICES USING SAME METHOD AS 1 AND DEMONSTRATE 75% OF SERVICES OFFERED AT NEW LOCATION – SIMPLE LIST
3. MAY ADD NEW SERVICES BUT WILL NOT COUNT FOR OR AGAINST COMPARISON.

WHAT IS 75% OF SAME STAFF?

1. LIST STAFF BY NAME AT CURRENT LOCATION
2. STAFF INCLUDES MEDICAL, CONTRACTED, AND DIRECT EMPLOYEES
3. STAFF MAY EXCLUDE CONTRACTED WORKING LESS THAN 50%
4. LIST STAFF BY NAME AFTER MOVE AND DEMONSTRATE 75% SAME
5. MAY OFFER HISTORICAL TURNOVER DATE – SUGGEST PROVIDING IT DURING PRELIMINARY APPROVAL PROCESS
6. EVIDENCE OF RECRUITMENT EFFORTS, DECREASING STAFF TURNOVER, OTHER ARGUMENTS

WHAT IS 75% OF POPULATION SERVICED?

1. IF AT SAME LOCATION OR CLOSE PROXIMITY –
NO FURTHER ANALYSIS IS REQUIRED
2. USE PATIENT DATA BY ZIP CODE BEFORE
MOVE
3. USE PATIENT DATA 6 TO 12 MONTHS AFTER
MOVE TO DEMONSTRATE 75% COMPLIANCE –
SEE EXAMPLE IN INTERPRETIVE GUIDELINE
4. MAY ELIMINATE ZIP CODES WITH LESS THAN
5% OF TOTAL

PRELIMINARY REQUEST

- COPY OF ORIGINAL NECESSARY PROVIDER DESIGNATION
- DEMONSTRATE COMPLIANCE WITH ORIGINAL NECESSARY PROVIDER CRITERIA AT NEW LOCATION
- ADDRESSES AT CURRENT AND FUTURE LOCATIONS
- DEMONSTRATE RURAL
- INFORMATION ABOUT METHOD AND COMPLIANCE WITH 75% RULES IF NECESSARY
- TIMETABLE

PRELIMINARY APPROVAL

NOT BINDING

ONLY FINAL APPROVAL COUNTS

CHAPTER 2 OF !@#\$%^&* CMS

PROVIDER-BASED SERVICES

NECESSARY PROVIDER

NEW PROVIDER-BASED LOCATIONS

DRAFT REGULATIONS WERE ISSUED AND THE
COMMENT PERIOD IS OVER

WE ARE WAITING FOR THE FINAL
REGULATIONS TO BE ISSUED WITH RESPONSES
TO COMMENTS

NECESSARY PROVIDER

NEW PROVIDER-BASED
LOCATIONS

WE BELIEVE CMS IS
TRYING TO LIMIT
YOUR ABILITY
TO SERVE YOUR COMMUNITY

NECESSARY PROVIDER

NEW PROVIDER-BASED LOCATIONS

“WE (CMS) BELIEVE THE NECESSARY PROVIDER DESIGNATION CANNOT BE CONSIDERED TO EXTEND TO ANY NEW FACILITIES NOT IN EXISTENCE WHEN THE CAH RECEIVED ITS ORIGINAL NECESSARY PROVIDER DESIGNATION”

NECESSARY PROVIDER

NEW PROVIDER-BASED LOCATIONS

“WE (CMS) BELIEVE THE CREATION OF ANY NEW LOCATION THAT WOULD CAUSE ANY PART OF THE CAH TO BE SITUATED AT A LOCATION NOT IN COMPLIANCE WITH THE FEDERAL DISTANCE REQUIREMENTS WOULD CAUSE THE ENTIRE CAH TO VIOLATE THE DISTANCE REQUIREMENT”

NECESSARY PROVIDER

NEW PROVIDER-BASED
LOCATIONS

THE CMS REGIONAL ADMINISTRATOR
INDICATED THAT HE BELIEVES

PROVIDER-BASED RHCs

ARE INCLUDED IN THESE PROVIDER-BASED
REQUIREMENTS

NECESSARY PROVIDER

NEW PROVIDER-BASED
LOCATIONS

EFFECTIVE JANUARY 1, 2008

NECESSARY PROVIDER

NEW PROVIDER-BASED LOCATIONS

“THE NECESSARY PROVIDER
FOUND IN VIOLATION OF THESE
PROVIDER-BASED REGULATIONS
CAN AVOID TERMINATION ACTION
BY CONVERTING TO PPS.”

NECESSARY PROVIDER

NEW PROVIDER-BASED
LOCATIONS

CAN CMS REQUIRE ANY
PROVIDER-BASED SERVICES
ESTABLISHED AFTER CAH
ESTABLISHED AND AT NEW
LOCATION TO BE ELIMINATED?

NECESSARY PROVIDER

NEW PROVIDER-BASED LOCATIONS

“WE (CMS) BELIEVE THE NECESSARY PROVIDER DESIGNATION CANNOT BE CONSIDERED TO EXTEND TO ANY NEW FACILITIES NOT IN EXISTENCE WHEN THE CAH RECEIVED ITS ORIGINAL NECESSARY PROVIDER DESIGNATION”

NECESSARY PROVIDER

NEW PROVIDER-BASED
LOCATIONS

WE WILL HAVE TO WAIT FOR
THE FINAL REGULATIONS TO
KNOW THE EXACT MEANING
OF THESE REGULATIONS

CHAPTER 3 OF !@#\$%^&* CMS

NEW PATIENT NOTIFICATIONS

ANY HOSPITAL OR CAH
WITHOUT 24-7 ON-SITE
PHYSICIAN COVERAGE
MUST NOTIFY PATIENT IN
WRITING

EFFECTIVE OCTOBER 1, 2007

ANY HOSPITAL OR CAH
WITHOUT 24-7 ON-SITE
PHYSICIAN COVERAGE

NOTIFICATION APPLIES TO
ALL INPATIENTS
AND OUTPATIENTS

ANY HOSPITAL WITHOUT
24-7 ON-SITE PHYSICIAN
COVERAGE

MIDLEVEL COVERAGE
DOES NOT COUNT

ANY HOSPITAL WITHOUT
24-7 ON-SITE PHYSICIAN
COVERAGE

MUST DESCRIBE HOW HOSPITAL
OR CAH WILL MEET THE MEDICAL
NEEDS OF ANY PATIENT WHO
DEVELOPS AND EMERGENCY
MEDICAL CONDITION

ANY QUESTIONS?

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