

## SUMMARY OF CHANGES IN CRITICAL ACCESS HOSPITAL INTERPRETIVE GUIDANCE

### *Distance from Other Providers and Relocation of Critical Access Hospitals with a Necessary Provider Designation*

The September 7, 2007 revised critical access hospital (CAH) location and relocation interpretive guidelines supersede the November 14, 2005 issued in S&C-06-04. Noted changes from the November 2005 guidance are the following:

<b>November 14, 2005 Guidance</b>	<b>September 7, 2007 Revised Guidance</b>
<p><i>Location in State Operations Manual (SOM):</i></p> <p>The November 14, 2005 Survey and Certification (S&amp;C) memorandum updated Appendix W, Survey Protocol, Regulations and Interpretive Guidelines for Critical Access Hospitals, of the SOM</p> <ul style="list-style-type: none"> <li>• Guidance in Appendix W is intended for State Agency (SA) surveyors to determine a CAH’s compliance with the Medicare conditions of participation while on-site</li> </ul>	<p><i>Location in State Operations Manual (SOM):</i></p> <p>The revised guidance is being moved from Appendix W to Chapter 2, Certification Process, Sections 2255B and 2256F of the SOM</p> <ul style="list-style-type: none"> <li>• The Regional Offices (ROs), not the SAs, have the primary responsibility for determining whether a CAH meets the location and relocation requirements, and generally have done so prior to an SA or accreditation organization survey. The revised location of the guidance requirements is more appropriate to the RO role in this determination</li> </ul>
<p><i>Mountainous Terrain:</i></p> <ul style="list-style-type: none"> <li>• To qualify for the reduced distance associated with location in mountainous terrain, a CAH must satisfy <i>all</i> of the following: <ul style="list-style-type: none"> <li>- Located in a mountain range;</li> <li>- The CAH or portions of the road to the nearest hospital or CAH must be at least 3000 feet in elevation, <i>and</i> the travel route is regularly or seasonally subjected to weather-related hazardous driving conditions;</li> <li>- The travel route must be considered as traveling through mountainous terrain by the State Department of Transportation;</li> <li>- The travel route consists of extensive sections of roads with grades &gt; 5%, and/or consist of continuous abrupt and frequent changes in elevation or direction, and no section of road with grades &lt; 5% or without frequent, abrupt changes is counted toward the 15 miles; <i>and</i></li> <li>- The safe speed limit on the route to the nearest hospital/CAH is &lt; 45 mph, and no section of road at least 1 mile in length with a speed limit ≥ 45 mph is counted toward the 15 miles</li> </ul> </li> </ul>	<p><i>Mountainous Terrain:</i></p> <ul style="list-style-type: none"> <li>• To qualify for the reduced distance associated with location in mountainous terrain: <ul style="list-style-type: none"> <li>- when traveling between the CAH and any other hospital or CAH, it must be necessary to traverse more than 15 miles of roads located in mountainous terrain;</li> <li>- roads are considered located in mountainous terrain if they are in areas identified as mountains on any official maps or other documents prepared for and issued to the public by the State agency responsible for highways or by the US Geological Survey</li> </ul> </li> </ul>

*Secondary Roads:*

- To qualify for the reduced distance associated with having only secondary roads available, the CAH must be:
  - more than 15 miles from the nearest hospital or another CAH; *and*
  - at least one section of the shortest route to the nearest hospital or CAH consists of more than 15 miles of continuous uninterrupted secondary roads
- Secondary roads are defined as any state or local road, paved or unpaved that does not meet the definition of a “primary road”
- A primary road is defined as:
  - an interstate highway
  - a U.S. highway
  - an expressway
  - an intrastate highway
  - a State divided highway with two or more lanes each way, *or*
  - any road with at least two contiguous miles with a speed limit of 45 m.p.h. or greater

*Secondary Roads:*

- To qualify for the reduced distance associated with having only secondary roads available, there must be more than 15 miles between the CAH and any hospital or other CAH where there are no primary roads
- A CAH may qualify if there is a combination of primary and secondary roads between it and any hospital or other CAH, so long as there are > 15 miles with only secondary roads. The 15 miles need not be continuous
- A primary road is:
  - a numbered federal highway, including interstates, intrastates, expressways or any other numbered federal highway, or
  - a numbered State highway with two or more lanes each way, or
  - a road shown on a map prepared in accordance with the U.S. Geological Survey’s Federal Geographic Data Committee (FGDC) Digital Cartographic Standard for Geologic Map Symbolization as a “primary highway, divided by median strip”

<p><i>Application of Relocation Rule 75% Criteria:</i></p> <p>Applies to any CAH that relocates, even if it meets the standard distance &gt; 35 mile drive criterion</p>	<p><i>Application of Relocation Rule 75% Criteria:</i></p> <p>Applies only to CAHs with a grandfathered necessary provider designation that relocate</p>
<p><i>Relocation Criteria: 75% Same Service Area</i></p> <ul style="list-style-type: none"> <li>• Changed “Service Area” to “Community”</li> <li>• Requires compliance with <i>all</i> of the following: <ul style="list-style-type: none"> <li>- At least 75% of the community must continue to utilize the CAH after relocation, considering the number of people that seek healthcare with a different provider after relocation;</li> <li>- At least 75% of the same people in various demographic groups must continue to be served, including at least 75% of the original Medicare and Medicaid beneficiaries and of the original families with incomes &lt; 100% FPL;</li> <li>- At least 75% of the patients served at the new location reside in the same zip code areas served at the previous location;</li> <li>- 75% of the people in the CAH’s original service area continue to have the same access to care, as measured by having equal or shorter travel distance to the CAH’s new location; <i>and</i></li> <li>- Any other criteria CMS deems appropriate</li> </ul> </li> </ul>	<p><i>Relocation Criteria: 75% Same Service Area</i></p> <ul style="list-style-type: none"> <li>• CAHs must document how the new service area will include at least 75% of the original service area, based on a zip code analysis of the populations served in the old and new locations; <ul style="list-style-type: none"> <li>- Zip codes with &lt;5% of the patients served in the original service are not included in the calculation;</li> <li>- Presence of major demographic or geographical differences, e.g. unbridged river, may be taken into consideration</li> </ul> </li> <li>• CAHs may lessen documentation where circumstances of relocation are simple, e.g. building adjacent to the current facility</li> <li>• CAHs may employ a different methodology, which CMS will evaluate for reasonableness</li> </ul>
<p><i>Relocation Criteria: 75% Same Services</i></p> <ul style="list-style-type: none"> <li>• Requires compliance with <i>all</i> of the following at the new location: <ul style="list-style-type: none"> <li>- At least 75% of the total service [lines] must be offered at the new location for at least one year; <i>and</i></li> <li>- At least 75% of the billing codes and volume for inpatient and outpatient services must remain the same for at least one year</li> </ul> </li> </ul>	<p><i>Relocation Criteria: 75% Same Services</i></p> <ul style="list-style-type: none"> <li>• Requires compliance with <i>all</i> of the following at the new location: <ul style="list-style-type: none"> <li>- At least 75% of the same lines of service are offered at the new location; <i>and</i></li> <li>- The retained services are generally available under the same terms/hours</li> </ul> </li> </ul>

<p><i>Relocation Criteria: 75% Same Staff</i></p> <ul style="list-style-type: none"> <li>• At least 75% of the medical staff, direct employees, and contracted staff, each considered separately, remain on staff for the first year after the relocation. <ul style="list-style-type: none"> <li>- Contracted staff include all personnel who work at the CAH <math>\geq</math> 20 hours/week, regardless of whether they are directly contracted or employees of a contractor</li> </ul> </li> </ul>	<p><i>Relocation Criteria: 75% Same Staff</i></p> <ul style="list-style-type: none"> <li>• At least 75% of the medical staff, direct employees, and contracted staff, taken together, remain on staff after relocation. <ul style="list-style-type: none"> <li>- Contracted staff includes all personnel who regularly work on-site, but the CAH may exclude those who work less than halftime on average (or any lesser threshold of time the CAH elects)</li> <li>- Staff working on a J-1 Visa and/or National Health Service Corps program whose service is limited by those programs and expires at the time of relocation may be excluded from the calculation</li> </ul> </li> <li>• CAHs with historically high turnover can provide additional documentation addressing the impact of this, so long as it demonstrates that circumstances beyond its control and not the relocation accounts for the <math>&gt;</math> 25% turnover</li> </ul>
<p><i>Co-location with Other Hospitals or CAHs:</i></p> <p>Prohibits co-location of grandfathered necessary provider CAHs with other hospitals or CAHs</p>	<p><i>Co-location with Other Hospitals or CAHs:</i></p> <p>Silent on co-location. This issue is being addressed through proposed rulemaking.</p>