Rural Referral Center Program

RURAL HEALTH FACT SHEET SERIES

This publication provides the following information about the Rural Referral Center (RRC) Program:

- Background;
- RRC Program requirements;
- Hospital reclassifications; and
- Resources.

Background
The RRC Program was established to support high-volume rural hospitals that treat a large number of complicated cases.

Rural Referral Center (RRC) Program Requirements
The “Code of Federal Regulations” (CFR) at 42 CFR 412.96 contains a full description of the criteria for RRCs. In general, a Medicare participating acute care hospital is classified as a RRC if it is located in a rural area and it meets ONE of the following criteria:

1. It has 275 or more beds available for use during its most recently completed cost reporting period. If the hospital’s bed count has changed, written documentation may be submitted with the application regarding one or more of the following reasons for the change:
   - The merger of two or more hospitals;
   - Acute care beds that previously were closed for renovation are reopened;
   - Acute care beds that previously were classified as part of an excluded unit are transferred to the Inpatient Prospective Payment System (IPPS); or
   - The hospital expands the number of acute care beds for use and these beds are permanently maintained for inpatients (such expansion does not include beds in corridors or other temporary beds); OR

2. It shows the following three elements:
   - At least 50 percent of the hospital’s Medicare patients are referred from other hospitals or from physicians who are not on the staff of the hospital;
   - At least 60 percent of the hospital’s Medicare patients live more than 25 miles from the hospital; and
   - At least 60 percent of all services the hospital furnishes to Medicare patients are furnished to patients who live more than 25 miles from the hospital; OR
3. If the criteria in 1) or 2) on page 1 cannot be met, a hospital is classified as a RRC if it is located in a rural area and meets the criteria specified below in a) and b) AND at least ONE of the criteria specified in paragraphs c), d), or e):

a. Case-Mix Index (CMI) – For discharges during the most recent Federal fiscal year (FY) ending at least one year prior to the beginning of the cost reporting period for which the hospital is seeking RRC status, its CMI is at least equal to the lower of the median CMI value for all urban hospitals nationally or the median CMI value for urban hospitals located in each region, excluding those hospitals receiving indirect medical education payments as provided in 42 CFR 412.105; AND

b. Number of Discharges – Its number of discharges is at least 5,000 or the median number of discharges for urban hospitals in the census region in which the hospital is located, set by the Centers for Medicare & Medicaid Services (CMS) yearly in the Acute Care Hospital IPPS rulemaking, in accordance with 42 CFR 412.96(c)(2). For an osteopathic hospital, its number of discharges is at least 3,000; AND

c. Medical Staff – More than 50 percent of the hospital’s active medical staff are specialists who meet the conditions specified at 42 CFR 412.96(c)(3); OR

d. Source of Inpatients – At least 60 percent of all discharges are for inpatients who reside more than 25 miles from the hospital; OR

e. Volume of Referrals – At least 40 percent of all inpatients treated at the hospital are referred from other hospitals or from physicians not on the hospital’s staff.

Section 4202(b) of the Balanced Budget Act of 1997 states that any hospitals designated as RRCs in FY 1991 are grandfathered as such for FY 1998 and each subsequent year.

Hospital Reclassifications

Any IPPS hospital located in an urban area may be reclassified as rural if it meets certain criteria. A hospital that believes it competes for labor in a nearby market and desires that wage index and all IPPS hospitals in a county that believe they should receive a wage index competitive with a nearby area may be reclassified as a group to a nearby Metropolitan Statistical Area if certain criteria are met. For more information about hospital reclassifications, refer to the Medicare Learning Network® (MLN) publication titled “Hospital Reclassifications” located at [http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Hospital_Reclassifications_FactSheet_ICN907243.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/Hospital_Reclassifications_FactSheet_ICN907243.pdf) on the CMS website.

Resources


For information about all available MLN products (e.g., brochures, training guides, and more), refer to the “Medicare Learning Network® Catalog of Products” located at [http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MLNCatalog.pdf](http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNProducts/Downloads/MLNCatalog.pdf) on the CMS website or scan the Quick Response (QR) code on the right. To find Medicare information for beneficiaries (e.g., Medicare basics, managing health, and resources), visit [http://www.medicare.gov](http://www.medicare.gov) on the CMS website.
Helpful Websites

American Hospital Association Rural Health Care
http://www.aha.org/advocacy-issues/rural

Critical Access Hospitals Center
http://www.cms.gov/Center/Provider-Type/Critical-Access-Hospitals-Center.html

Disproportionate Share Hospital
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/dsh.html

Federally Qualified Health Centers Center
http://www.cms.gov/Center/Provider-Type/Federally-Qualified-Health-Centers-FQHC-Center.html

Health Resources and Services Administration
http://www.hrsa.gov

Hospital Center
http://www.cms.gov/Center/Provider-Type/Hospital-Center.html

Medicare Learning Network®
http://go.cms.gov/MLNGenInfo

National Association of Community Health Centers
http://www.nachc.org

National Association of Rural Health Clinics
http://www.narhc.org

National Rural Health Association
http://www.ruralhealthweb.org

Physician Bonuses
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/HPSAPSAPhysicianBonnuses

Rural Assistance Center
http://www.raconline.org

Rural Health Clinics Center
http://www.cms.gov/Center/Provider-Type/Rural-Health-Clinics-Center.html

Swing Bed Providers
http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/SNFPPS/SwingBed.html

Telehealth
http://www.cms.gov/Medicare/Medicare-General-Information/Telehealth

U.S. Census Bureau
http://www.census.gov

Regional Office Rural Health Coordinators

Below is a list of contact information for CMS Regional Office Rural Health Coordinators who provide technical, policy, and operational assistance on rural health issues.

Region I – Boston
Rick Hoover
E-mail: rick.hoover@hhs.gov
Telephone: (617) 565-1258
States: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont

Region II – New York
Miechaj Lefkowitz
E-mail: miechaj.lefkowitz@hhs.gov
Telephone: (212) 616-2517
States: New Jersey, New York, Puerto Rico, and Virgin Islands

Region III – Philadelphia
Patrick Hamilton
E-mail: patrick.hamilton@hhs.gov
Telephone: (215) 861-4097
States: Delaware, Maryland, Pennsylvania, Virginia, West Virginia, and the District of Columbia

Region IV – Atlanta
Lana Dennis
E-mail: lana.dennis@hhs.gov
Telephone: (404) 562-7379
States: Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennesseee

Region V – Chicago
Nicole Jacobson
E-mail: nicole.jacobson@hhs.gov
Telephone: (312) 353-5737
States: Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin

Region VI – Dallas
Kaleigh Emerson
E-mail: kaleigh.emerson@hhs.gov
Telephone: (214) 767-6444
States: Arkansas, Louisiana, New Mexico, Oklahoma, and Texas

Region VII – Kansas City
Claudia Odgers
E-mail: claudia.odgers@hhs.gov
Telephone: (816) 426-6524
States: Iowa, Kansas, Missouri, and Nebraska

Region VIII – Denver
Lyla Nichols
E-mail: lyla.nichols@hhs.gov
Telephone: (303) 844-6218
States: Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming

Region IX – San Francisco
Neal Logue
E-mail: neal.logue@hhs.gov
Telephone: (415) 744-3551
States: Arizona, California, Hawaii, Nevada, Guam, Commonwealth of the Northern Mariana Islands, American Samoa, Marshall Islands, Republic of Palau, and Federated States of Micronesia

Region X – Seattle
Teresa Cumpton
E-mail: teresa.cumpton@hhs.gov
Telephone: (206) 615-2391
States: Alaska, Idaho, Oregon, and Washington

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