

DEPARTMENT OF HEALTH AND HUMAN SERVICES
Centers for Medicare & Medicaid Services



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 on the CMS website.

Resources

For more information about the RRC Program, refer to Chapter 3 of the “Medicare Claims Processing Manual” (Publication 100-04) located at <http://www.cms.gov/Regulations-and-Guidance/Guidance/Manuals/Internet-Only-Manuals-IOMs.html> on the CMS website and the CFR located at <http://www.gpo.gov/fdsys/search/home.action> on the U.S. Government Printing Office website. For more information about rural services, refer to the MLN Publication titled “MLN Guided Pathways to Medicare Resources Basic Curriculum for Health Care Professionals, Suppliers, and Providers” booklet at http://www.cms.gov/Outreach-and-Education/Medicare-Learning-Network-MLN/MLNEdWebGuide/Downloads/Guided_Pathways_Basic_Booklet.pdf on the CMS website.

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> 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> 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/HPSAPSAPhysicianBonuses>

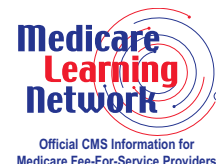
Rural Assistance Center
<http://www.raconline.org>

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/SNFPSP/SwingBed.html>

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

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



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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.

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