

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-12-25
Baltimore, Maryland 21244-1850



Center for Medicaid and State Operations/Survey and Certification Group

Ref: S&C-05-40

DATE: August 18, 2005

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Eligibility for Conversion to Critical Access Hospital (CAH)

Letter Summary

This letter clarifies procedures for handling a request from a multi-campus hospital having hospital facilities at several campuses or locations, to convert one or more campuses to a Critical Access Hospital (CAH), while the remaining facility or facilities continue to participate under the provider number of the hospital.

Recently, some questions have been raised as to whether a hospital with more than one geographic location or campus may convert one of its campuses or locations to CAH status, while the remainder of the facility continues to participate under the previously existing acute care hospital provider number. This letter clarifies that requests for such partial conversions of a hospital should not be approved.

The regulations at 42 CFR §485.610 require a facility (with certain exceptions) that converts to a CAH to be a hospital in its own right prior to conversion to a CAH. The Centers for Medicare & Medicaid Services (CMS) does not recognize a facility that is only one part of a multi-campus hospital as a separate and independent hospital. Therefore, such a facility is not eligible to convert to a CAH.

If requests for such conversions are received by the State agency, they should be returned to the requestor with the explanation that the Medicare program does not permit them to be approved, and that any hospital seeking to become a CAH must terminate its provider agreement as a hospital and convert in its entirety to CAH status.

If you have any questions, please contact Marjorie E. Eddinger at 410-786-0375 or e-mail at marjorie.eddinger@cms.hhs.gov.

Effective Date: The SA should disseminate this information within 30 days of the date of this memorandum.

Training: This clarification should be shared with all survey and certification staff, surveyors, their managers, and the state/RO training coordinator.

/s/
Thomas E. Hamilton

cc: Survey and Certification Regional Office Management (G-5)