



Center for Medicaid, CHIP, and Survey & Certification/Survey and Certification Group

Ref: SC-11-33-Hospital/CAH/RHC

DATE: July 15, 2011

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Clarification of Rural Eligibility Status for Hospital Swing Beds, Critical Access Hospitals (CAHs) and Rural Health Clinics (RHCs)

Memorandum Summary

- **Guidance is provided on determining rural location for CAHs, hospital swing beds & RHCs:**
 - A facility seeking CAH designation must be located outside a Metropolitan Statistical Area (MSA) or be treated as rural.
 - A hospital seeking swing bed status or a clinic seeking RHC certification must be located outside an area delineated as “urbanized” by the US Bureau of the Census (Census Bureau).

Background

Several types of Medicare providers or suppliers are required to be considered “rural” in order to be Medicare-certified:

- In accordance with 42 CFR 485.610(b), in order to be eligible for **CAH** designation a facility must meet several criteria, including location in a rural area or being treated as rural in accordance with 42 CFR 412.103. Under this regulation a rural area is any area that is outside a MSA as defined by the Federal Office of Management and Budget (OMB).
- In order for a **hospital** to be eligible to offer **swing bed** services, it must meet several requirements, including the one at 42 CFR 482.66(a)(2) for the hospital to be located in a rural area, defined as areas not delineated as “urbanized” by the Census Bureau in the most recent census.

- In order for a **clinic** to be eligible for certification as an RHC it must meet several requirements, including the one at 42 CFR 491.5(a) for the clinic to be located in a rural area, defined in 42 CFR 491.2 as an area that is not delineated as an urbanized area by the Census Bureau.

State Survey Agencies (SAs) and Centers for Medicare & Medicaid Services (CMS) Regional Office (RO) staff have requested guidance on how to determine whether a facility's location is rural, including the impact of location in an "urban cluster" on RHC and hospital swing-bed eligibility. With respect to CAHs, they have also asked how to determine whether the CAH applicant is in a rural area or treated as rural.

CAH Rural Area/Treatment as Rural

SAs and ROs must consult the latest OMB Bulletin updating statistical area definitions and providing guidance on their usage. Specifically, List #1 in the Bulletin identifies all of the MSAs in alphabetical order. This list may be used to identify MSAs in the State. List #2 in the Bulletin provides a list of each MSA, along with the counties contained within that MSA. OMB Bulletins may be found at:

http://www.whitehouse.gov/omb/bulletins_default/

This is only the first step in determining whether a CAH applicant is located in a "rural area" or may be treated as rural.

- ***Even if the CAH applicant is located outside an MSA and therefore in a rural area, it is also necessary to determine that it is also not:***
 - Located in an area that has been recognized as urban in accordance with 42 CFR 412.64(b), excluding §412.64(b)(3);
 - Classified as an urban hospital in accordance with 42 CFR 412.230(e); or
 - Redesignated to an adjacent urban area in accordance with 42 CFR 412.232.

Financial staff in the RO should be able to provide information on whether the CAH applicant falls in one of the above three categories, since Part 412 is a regulation developed primarily for payment purposes.

- ***Even if the CAH applicant is located in an MSA, it may nevertheless qualify to be treated as rural if it is a hospital that has been reclassified as rural*** in accordance with 42 CFR 412.103, i.e., it was reclassified based on;
 - Being located in a rural census tract of a MSA per the most recent version of the Goldsmith Modification or the Rural-Urban Commuting codes, as determined by the Office of Rural Health in the Health Resources and Services Administration.

See

<http://www.hrsa.gov/healthit/toolbox/RuralHealthITtoolbox/Introduction/defined.html>

Or

- It would qualify as a rural referral center or a sole community hospital if it were located in a rural area;

Or

- It is located in an area designated under any State law (including regulation) as a rural area, or has been designated as a rural hospital under State law (including regulation).

Financial staff in the RO should also be able to provide information on whether the CAH applicant is a hospital that was reclassified in this manner.

Rural Area for Hospital Swing-Bed and RHC Eligibility

The rules for both hospital swing beds and RHC eligibility specify that a “rural area” includes all areas not delineated as “urbanized” by the US Census Bureau.

The term “urban cluster” was introduced for the first time in 2000 by the Census Bureau to classify certain population densities. **For purposes of hospital swing-bed and RHC eligibility, an “urban cluster” is not an “urbanized” area.** Therefore, if a hospital or clinic is located within an urban cluster, as determined by the Census Bureau, it is considered located in a rural area.

SA and RO staff are to use the Census Bureau’s American FactFinder website when making a rural determination for RHCs or hospital swing-beds. The American FactFinder data on urbanized areas and urban clusters is, at present, still based on the 2000 census data. The 2010 census data broken down into this level of detail will not be available through American FactFinder until CY 2012. At that time, we will issue new instructions on making a rural determination utilizing the 2010 census.

Currently, the Census Bureau is transitioning from a **LEGACY** American FactFinder to a **NEW** American FactFinder. This transition will continue through fall of this year. Until the transition is completed, the 2000 Census data on urbanized areas and urban clusters will be available only via the **LEGACY** American FactFinder. We will issue detailed instructions on making a determination using the 2000 census via the **NEW** American FactFinder once the transition is complete.

Attached is a detailed description of the process for using the Census Bureau’s **LEGACY** American FactFinder to determine whether a hospital swing bed or RHC meet the rural location requirements.

Questions about this memorandum should be addressed to Shonte Carter at shonte.carter@cms.hhs.gov.

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Effective Date: Immediately. Please ensure that all appropriate staffs are fully informed within 30 days of the date of this memorandum.

Training: The information contained in this letter should be shared with all survey and certification staff, their managers, and the State/RO training coordinators.

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/s/
Thomas E. Hamilton

Attachment

cc: Survey and Certification Regional Office Management

Instructions for Determining “Urbanized” and “Urban Cluster” Locations Via U.S. Census Bureau Legacy American FactFinder

1. Go to www.Census.gov and click on the American FactFinder option. This link is circled on the left side of screen shot here:



2. Go to the “Legacy American FactFinder” located on the right side of the screen and click on “factfinder.census.gov” as circled below.



3. Go to the “Address Search” box, as circled on the left side of the screen shot below and click on the [street address](#) link.

American FactFinder - Windows Internet Explorer

http://factfinder.census.gov/home/saff/main.html?_lang=en

File Edit View Favorites Tools Help

Main Search Feedback FAQs Glossary Site Map Help

Your source for population, housing, economic, and geographic data

AMERICAN FactFinder

The NEW American FactFinder is here!

For data from **Census 2010** and **Census 2000**, visit factfinder2.census.gov

As we transition to the NEW American FactFinder, you can still find data here for the following: the **American Community Survey**, the **Economic Census**, and the **Population Estimates Program**.

Fast Access to Information

Get a **Fact Sheet** for your community...

city/ town, county, or zip

state -- select a state --

[or select a state using a map »](#)

Population Data

Population Finder

Use the [Population Finder](#) to view population trends for your community.

U.S. Population Clock

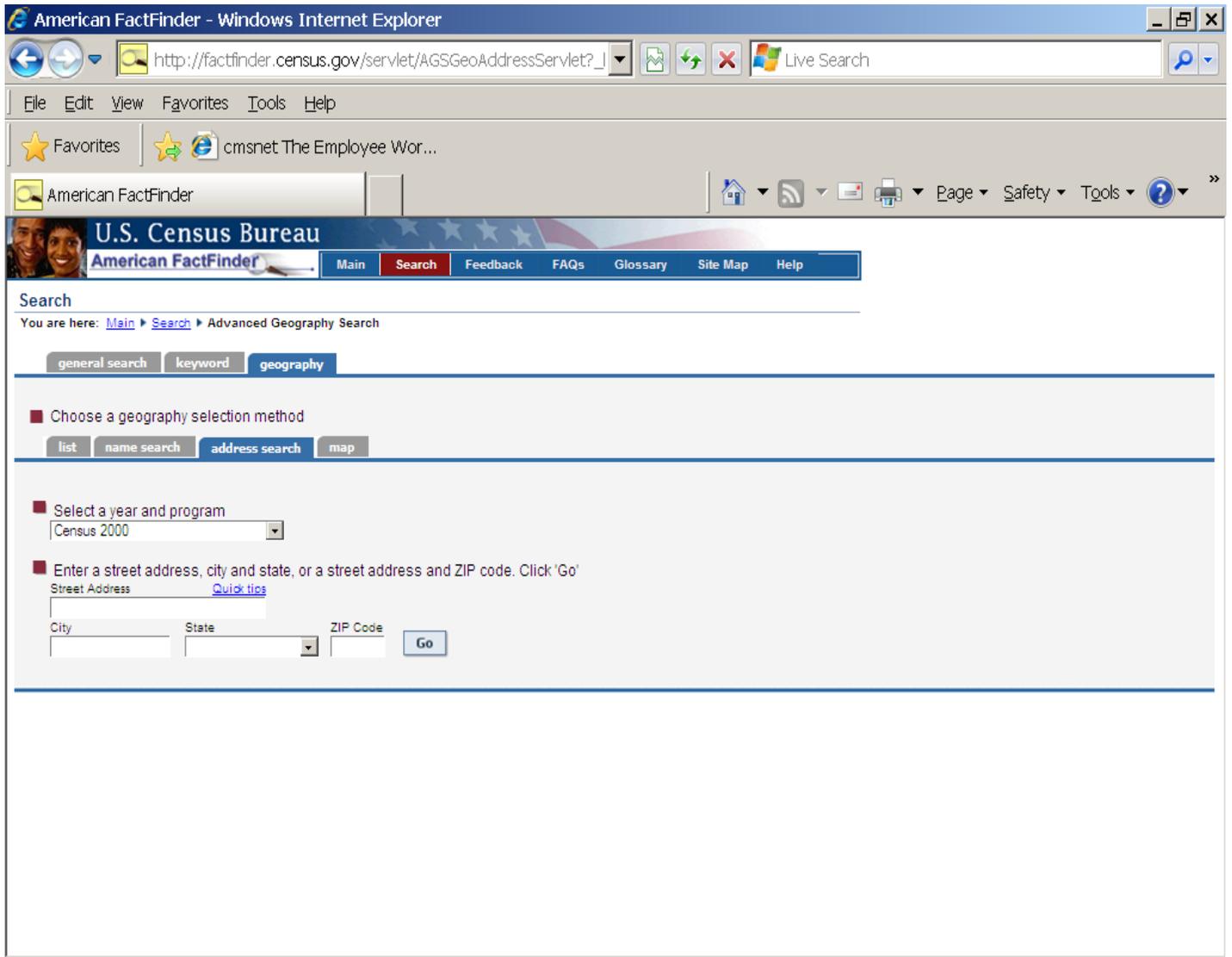
20:47 UTC (EST+5) May 19, 2011

311,384,608

more [population clocks »](#)

Address Search...
Enter a [street address](#) to find Census 2000 data

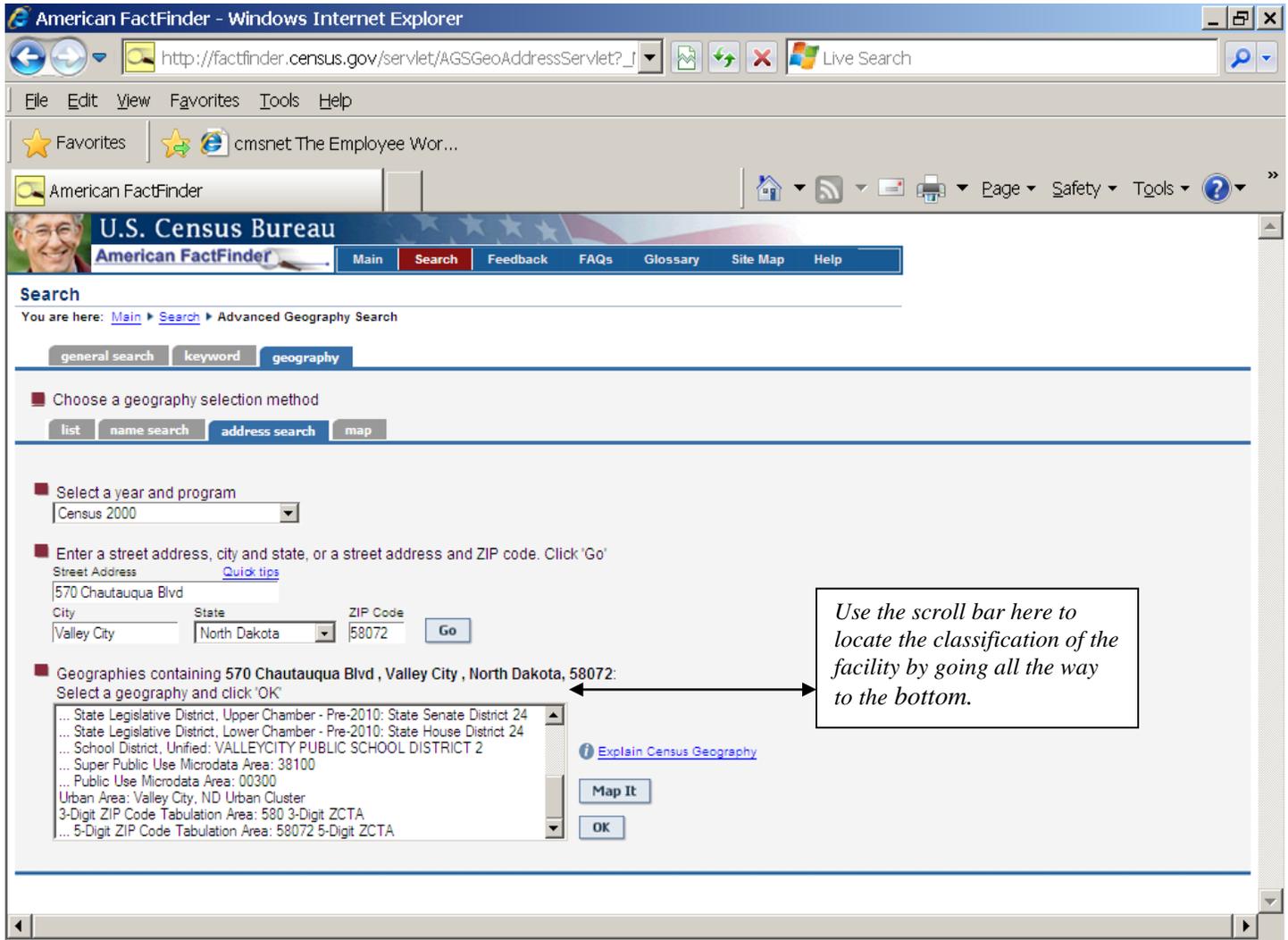
4. When a new screen appears (Census 2000 is currently the default choice for year and program), enter the address of the hospital or clinic and press “Go”.



5. An information box will be generated indicating the census data for that address.
6. Using the scroll bar on the right hand side of the information box, scroll down to the bottom of the box. **If the hospital or clinic is located in an “urbanized area” or an “urban cluster,” this will be indicated on the third line up from the bottom. If there is no wording indicating its classification, then the hospital or clinic is by default located in a rural area.**
7. Examples of each potential result are displayed below. (Note: These examples were chosen strictly for educational purposes.)

Examples:

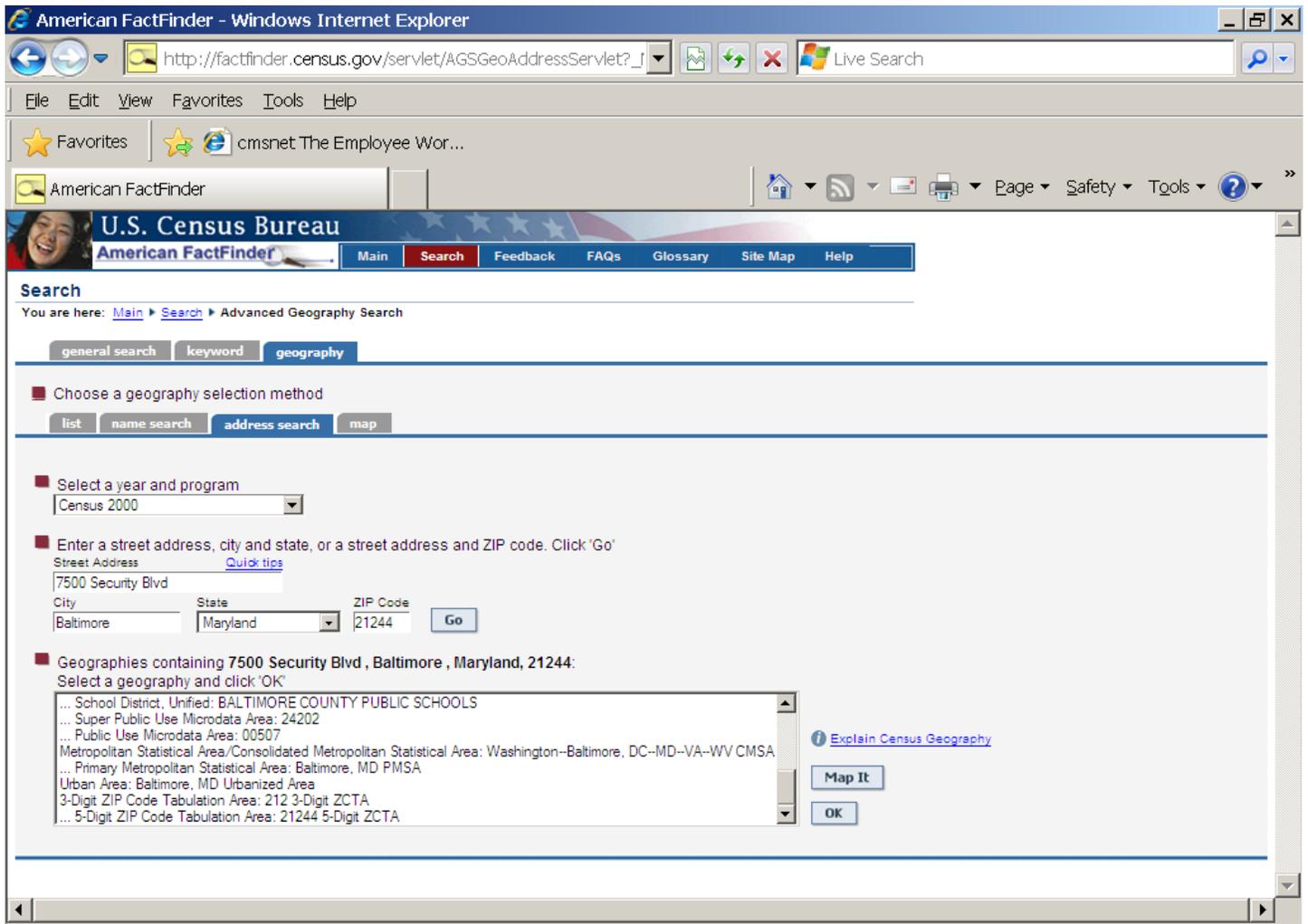
- A. Urban cluster classification for a hospital in Valley City, North Dakota (Note: Location in an “urban cluster” satisfies the rural location requirement.)



- B. Urbanized area classification notation for CMS CO in Baltimore, MD (Note: Facilities located in an “urbanized area” do not meet the rural requirement).
Remember to scroll down to the bottom to determine the classification.

Enter a street address, city and state, or a street address and ZIP code. Click 'Go'

Attachment – Legacy American FactFinder



In this example, the third line from the bottom reads as “Urban Area: Baltimore, MD Urbanized Area”

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- C. Example of a rural area classification in Leon, IA. (Note: If no classification is displayed, the location is, by default, rural.)
Remember to scroll down to the bottom to determine the classification.

Attachment – Legacy American FactFinder

American FactFinder - Windows Internet Explorer

http://factfinder.census.gov/servlet/AGSGeoAddressServlet?_

File Edit View Favorites Tools Help

American FactFinder

U.S. Census Bureau
American FactFinder

Main Search Feedback FAQs Glossary Site Map Help

Search

You are here: [Main](#) > [Search](#) > [Advanced Geography Search](#)

general search keyword **geography**

Choose a geography selection method

list name search **address search** map

Select a year and program
Census 2000

Enter a street address, city and state, or a street address and ZIP code. Click 'Go'

Street Address [Quick tips](#)
1405 NW Church St.

City State ZIP Code
Leon Iowa 50144 Go

Geographies containing 1405 Nw Church St , Leon , Iowa, 50144:
Select a geography and click 'OK'

- ... Congressional District - 110th: Congressional District 5 (110th Congress)
- ... State Legislative District, Upper Chamber - Pre-2010: State Senate District 48
- ... State Legislative District, Lower Chamber - Pre-2010: State House District 95
- ... School District, Unified: CENTRAL DECATUR COMMUNITY SCHOOL DISTRICT
- ... Super Public Use Microdata Area: 19400
- ... Public Use Microdata Area: 01300
- 3-Digit ZIP Code Tabulation Area: 501 3-Digit ZCTA
- ... 5-Digit ZIP Code Tabulation Area: 50144 5-Digit ZCTA

[Explain Census Geography](#)

Map It OK

In this example, no “Urban Area” classification is displayed.