

EXHIBIT 134

(Rev. 67, Issued: 10-18-10, Effective: 10-18-10, Implementation: 10-18-10)

MODEL LETTER TRANSMITTING REQUIREMENTS TO A HOSPITAL REQUESTING CHANGE IN STATUS TO A CRITICAL ACCESS HOSPITAL

Name/Title of Responsible Individual
Name of Hospital
Street Address
City, State, Zip Code

Dear _____:

The Regional Office of the Centers for Medicare and Medicaid Services (CMS-RO) and the State Agency have received information that your hospital is requesting a change in Medicare provider status to critical access hospital (CAH). The purpose of this letter is to inform you of the requirements and procedures that are required to become certified as a Medicare CAH.

To be eligible for certification as a CAH, the hospital must first be designated as eligible in writing by the State. In addition the following criteria must be met.

- Location in a rural area. If the hospital is located within a metropolitan statistical area (MSA) the hospital must apply to CMS for reclassification under a State statute or regulation that has been codified in law that would define your location to be rural for your State rural health programs. If located within an MSA, you must provide the CMS RO with a letter requesting reclassification, along with a copy of the State law that would qualify the hospital to be reclassified as rural under 42 CFR 412.103.
- The provider must be a current Medicare-participating hospital, an otherwise qualified closed hospital, or a hospital that was previously down-sized to a rural health clinic, as defined at 42 CFR 485.610(a).
- The hospital must be located in a State that has established a Medicare Rural Hospital Flexibility Plan.
- The hospital must currently be in compliance with the Medicare hospital Conditions of Participation (CoPs).
- As specified at 42 CFR 485.610(c), the hospital must be located more than a 35 mile drive from any other hospital or CAH, or 15 miles in mountainous terrain or in areas with only secondary roads available.
 - **Off-campus provider based locations created or acquired on or after January 1, 2008 are subject to 42CFR 485.610(e)(2) and must meet the provider-based requirements at 42 CFR 413.65 and the minimum distance criteria from another hospital or CAH specified at 42 CFR 485.610(c).**
- The hospital must operate not more than 25 beds for inpatient care.
- The hospital must provide acute inpatient care for a period that does not exceed, on an annual average basis, 96 hours per patient, as required by 42 CFR 485.620(b).

Page 2

- The facility may choose to offer skilled nursing facility (SNF) - level care in swing beds under a specific swing-bed approval, upon demonstration of compliance with the swing-bed requirements, found at 42 CFR 485.645. Swing beds do count toward the 25-bed limit but do not have a length of stay restriction and are not used to compute the facility length of stay average.
- The hospital may also provide services in a maximum 10-bed psychiatric distinct part unit (DPU) and/or a maximum 10-bed rehabilitation DPU after demonstrating compliance with 42 CFR 485.647. These units are exempt from the 25 bed limit and are not used to compute the facility annual average inpatient length of stay.
- The hospital must comply with all other CAH CoPs found at 42 CFR 483 Subpart F, including provision of emergency services 24 hours a day and 7 days a week.
- The hospital must complete the forms that are included with this letter and return the package to the SA.
- The hospital must successfully complete an initial survey demonstrating compliance with the CAH CoPs at 42 CFR 485 Subpart F.

Your facility may not receive reimbursement for services as a CAH prior to the Medicare effective date for certification in the Medicare program issued by the CMS RO.

Please do not hesitate to contact this office at (*telephone number of SA*) if you have any questions regarding the CAH survey process or any of the documentation requested.

Sincerely,

State Agency Representative

Enclosures: **(list as appropriate)**

cc:

Fiscal Intermediary/Medicare Administrative Contractor
Regional Administrator
State Department of Health