
CMS Manual System

Pub. 100-07 State Operations Provider Certification

Department of Health &
Human Services (DHHS)
Centers for Medicare &
Medicaid Services (CMS)

Transmittal 145

Date: August 21, 2015

SUBJECT: Revisions to Medicare State Operations Manual (SOM), Chapter 9 - Exhibits

I. SUMMARY OF CHANGES: New Exhibit 356 added to Chapter 9, Critical Access Hospital (CAH) Recertification Checklist: Rural and Distance or Necessary Provider Verification

NEW/REVISED MATERIAL - EFFECTIVE DATE: August 21, 2015

IMPLEMENTATION DATE: August 21, 2015

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

(R = REVISED, N = NEW, D = DELETED) – (Only One Per Row.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
R	9/Exhibits/Table of Contents
N	9/Exhibits/Exhibit #356 Critical Access Hospital (CAH) Recertification Checklist: Rural and Distance or Necessary Provider Verification

III. FUNDING: No additional funding will be provided by CMS; contractor activities are to be carried out within their FY 20xx operating budgets.

Or

Funding for implementation activities will be provided to contractors through the regular budget process.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
	One-Time Notification
	Recurring Update Notification

***Unless otherwise specified, the effective date is the date of service.**

Medicare State Operations Manual

Chapter 9 - Exhibits

Exhibits

(Rev.145, Issued: 08-21-15)

Exhibit	Description	Download
<i>356</i>	<i>Critical Access Hospital (CAH) Recertification Checklist: Rural and Distance or Necessary Provider Verification</i>	

Exhibit #356

CRITICAL ACCESS HOSPITAL (CAH) RECERTIFICATION CHECKLIST:
Rural and Distance or Necessary Provider Verification

Date: _____

CCN: _____

CAH Name: _____

Address: _____

City/State/Zip/County: _____

Administrator: _____

Last Survey Date: _____

If deemed: Accrediting Organization (AO): _____

Accreditation expiration date: _____

Rural Status:

Does the Office of Management and Budget (OMB) Metropolitan Statistical Area (MSA) List adopted by the CMS indicate that the county is designated as rural? Yes _____ No _____

If no, does the Division of Financial Management (DFM) confirm alternative rural status? Yes _____ No _____
Date confirmed by the DFM: _____

Distance from other CAHs or Hospitals:

Necessary Provider Designation: Yes _____ No _____ [Source: _____]

If NO, conduct a distance analysis to all nearby CAHs/Hospitals.

Driving Distance \geq 35 miles? Yes _____ No _____

If no, does the CAH qualify for the \geq 15 mile standard, based on secondary roads/mountainous terrain?
Yes _____ No _____ [Source: _____]

Describe why the 15 mile standard does/does not apply:

List name(s) and address(es) of all other CAHs and/or hospitals considered in the analysis:

PROCEDURES:

1. Annually the Regional Office (RO) designee contacts the State Agency (SA) for a list of all CAHs scheduled for a recertification survey over the next 12 months. The list should include and identify both deemed and non-deemed CAHs. For CAHs that are deemed, the SA consults the deemed status tab in ASPEN for the accreditation end dates of those CAHs. **NOTE:** AOs conduct reaccreditation surveys every 3 years.
2. Prior to the survey, the RO must:
 - a. **Follow the guidance in SOM Section 2256A for determining rural status.**
 - i. If the CAH is located outside a Metropolitan Statistical Area (MSA), as determined by consulting the latest Office of Management and Budget (OMB) MSA list **adopted by CMS**, the CAH has rural status.
 - ii. If the CAH is located in an MSA but the Division of Financial Management (DFM) has reclassified it as rural, place a copy of DFM's determination in the CAH's file. The CAH is considered to have rural status.
 - iii. If the CAH's location was previously outside an MSA, but subsequently CMS adopted a revised OMB MSA list that places the CAH inside a MSA, the CAH has 2 years from the effective date of CMS's adoption of the OMB MSA list to attempt to reclassify as rural. Alternatively, the CAH may convert to hospital status.
 - iv. If the CAH's location was previously outside an MSA, but was not determined during the prior recertification, consult with RO management on the length of time to be provided to the CAH to either attempt to reclassify or convert to hospital status. (Generally up to one year will be provided.)

NOTE – if the CAH is not located in an area that is considered rural, a termination action must be undertaken. Depending on the facts of the case, the termination action may be effective in 1 or 2 years. The CAH may opt to convert to an IPPS hospital which would require the submission of an amended CMS Form 855A and a survey demonstrating compliance with the hospital CoPs at CFR 482.

- b. **Determine whether the CAH was certified prior to January 1, 2006, in order to determine if the CAH is a Necessary Provider (NP) CAH.** (A CAH that was first certified as a CAH after January 1, 2006 is not eligible to be an NP CAH.) NP CAHs are exempt from the distance requirement.
 - i. If the CAH was certified prior to January 1, 2006, review the CAH file to confirm there is evidence of NP CAH status, i.e., an NP Designation letter issued by the State prior to January 1, 2006.
 - ii. If there is no letter in the file, the RO has the discretion to ask the State if there is a State NP designation letter **issued prior to January 1, 2006**.
 - iii. If the State provides a copy of a designation letter issued prior to January 1, 2006, the CAH is an NP CAH.

iv. If the RO designee determines that the CAH is an NP CAH, proceed to step 3. Otherwise, proceed to step 2.c.

c. If the CAH is not an NP CAH, evaluate the road mileage distance and road characteristics using ASPEN (ACO) and Google Maps for each identified CAH and nearby CAHs/Hospitals and screen-prints the findings. The RO also checks whether the mountainous terrain criteria apply. (See Section 2256A for details.)

d. Attach all documentation from the above steps to this completed Checklist.

3. The RO saves the completed Checklist and attachments in the RO system of records. The RO program lead is notified of the results of the determination, so that appropriate follow-up action may be taken.

a. If the CAH is not an NP CAH and does not meet the distance and location requirements, the RO enters the case in the RO tracking system (e.g. Auto Tally Millennium). The RO sends the CAH a letter indicating its CAH status will be terminated. The CAH will be allowed time (generally 1 year) to convert to hospital status in lieu of having its Medicare participation terminated. The SA and AO are copied on the letter. The RO also notifies CMS Central Office at CAHSCG@cms.hhs.gov.

b. If the CAH is either an NP CAH or meets the distance requirements, but is located in an MSA and has not been reclassified as rural, the RO enters the case in the RO tracking system (e.g. Auto Tally Millennium). The RO sends the CAH a letter indicating its CAH status will be terminated unless it can be reclassified as rural within the applicable timeframe. If the CAH is unable to be reclassified as rural within the applicable time frame, it may choose to convert to hospital status in lieu of having its Medicare participation terminated. The SA and AO are copied on the letter. The letter advises that CAH applications for reclassification must be submitted to the RO DFM, who evaluates and makes a determination regarding the CAH's rural status. The RO DFM sends the Division of Survey and Certification (DSC) a copy of their determination letter.

c. If the CAH meets both the rural status and the distance and location requirements, the RO notifies the SA/AO, which may then conduct a recertification/reaccreditation survey. No notice is provided to the CAH to avoid announcing the survey.

d. The RO files the above correspondence in the CAH file in the RO system of records.