



Center for Clinical Standards and Quality

Ref: QSO-23-12-RHC

DATE: March 31, 2023

TO: State Survey Agency Directors

FROM: Directors, Quality, Safety & Oversight Group (QSOG) and Survey & Operations Group (SOG)

SUBJECT: Interim CMS Rural Health Clinic (RHC) Rural Location Determinations due to Census Bureau (CB) Regulatory Changes

Memorandum Summary

- **Census Bureau’s (CB’s) March 2022 regulatory changes** - CMS is providing an interim process while it considers options to align the Medicare Rural Health Clinic (RHC) Program’s rural location determinations with the CB’s regulatory changes for determining urban areas.
- **Interim Process for Rural Location Determination** - Until further notice, the Centers for Medicare and Medicaid Services (CMS) will use the 2010 and 2020 Census urban criteria when making rural location determinations.

Background:

On March 24, 2022, the Census Bureau (CB) published [final regulations](#) establishing its new criteria for defining urban areas based on the results of the 2020 Decennial Census. The final rule modified some, and retired other, terminology currently used in statute and regulations for CMS’s oversight of the Medicare RHC program. Specifically, the CB is retiring the terms “urbanized” and “urban clusters” and defining urban areas using modified population and geographic definitions. Section 1861(aa)(2) of the Social Security Act (the Act) requires an RHC, among other things, to be located in an area that is not urbanized, as defined by the CB. Currently, CMS approves RHC applicants if their physical address is considered “non-urbanized” or in an “urban cluster.” Given the CB change, CMS policy no longer aligns with the Act.

Discussion:

CMS is implementing an interim process for making RHC rural location determinations while considering the most effective options for modifying its processes to align with the CB changes.

In the interim, until further notice, CMS will use both the 2010 and 2020 CB data available at [TIGERweb Decennial](#), a publicly available CB web-based system. During this time, an RHC applicant or a relocating RHC would be considered as meeting the rural location requirement at 42 CFR §491.5 if its physical address is identified as either “non-urbanized” or in an “urban cluster” under the 2010 CB data, or if its physical address is not identified as in an urban area under the 2020 CB data. Both the 2010 and the 2020 CB data are currently available at [TIGERweb Decennial](#).

State agencies (SAs) may use this interim process when conducting their preliminary assessments of an RHC applicant’s location before conducting an onsite survey, but the results of their assessments are not considered determinations by CMS. Accrediting organizations (AOs) with a CMS-approved Medicare RHC accreditation program may also use this interim process when deciding whether to accept an application for RHC accreditation and conduct an accreditation survey. However, SAs and AOs are not authorized to notify the RHC applicant of the results of their preliminary assessments. Further, the fact that the SA, or an AO with a CMS-approved Medicare RHC accreditation program, surveys the RHC applicant does not constitute a determination by CMS that the applicant’s location satisfies the regulatory criteria. Only the CMS locations are authorized to make such a determination and notify the applicant whether or not it has been determined to meet the participation requirements. Potential applicants for RHC approval and current RHCs considering relocation may use this interim process to inform their decisions.

CMS will communicate updates to this policy in the future via an updated QSO memo.

Contact:

For questions or concerns relating to this memorandum, please contact QSOG_RHC-FQHC@cms.hhs.gov

Effective Date:

Immediately. Please communicate to all appropriate staff within 30 days.

	/s/	
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